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As Habib concludes talks Israeli planes bomb S. Lebanon; 3 killed

SIDON, Lebanon, July 10 (Agencies) — At least three persons were killed and 15 wounded when Israeli aircraft attacked the Nationalist stronghold of Nabatiyeh and nearby areas in southern Lebanon Friday as the U.S. peace negotiator Philip Habib concluded his talks with Lebanese President Elias Sarkis and Prime Minister Shafiq Wazzan and was leaving for Israel.

The enemy jets also bombed and rocketed Palestinian commando-held area of Habboush, Wadi El-Akhdar and Eitmeit in several runs that began at 11 a.m. (0900 GMT) Friday. It was the first Israeli air strike on Lebanon since the enemy jets knocked out a Fatah command post near Tyre June 2, killing six persons and wounding 11, according to Lebanese authorities.

Security sources said that the 40-minute air strikes near Nabatiyeh started fires and destroyed a newly-built bridge between two villages in the area.

Sarkis and Wazzan but refused to give any details of the discussion. However, the Lebanese press said Friday that he had been briefed on the progress of a four-member Arab Committee set up to find a solution to the conflict.

A spokesman for the Israeli command claimed rockets were knocked out south of the Litani River. The Palestine Liberation Organization confirmed the air attacks.

According to Lebanese and PLO official figures, 108 Palestinian commandos and Lebanese villagers have been killed in major Israeli air, sea and land assaults against the commandos in Lebanon this year.

A PLO communique said the Israeli planes first bombed Habboush and the adjacent Wadi El-Akhdar and then "widened the area of aggression to include Aitit and adjacent areas."

English issue irks Senator

By Catherine Raia
Washington Bureau

WASHINGTON, July 10 — People take for granted that English is the official language of the United States. But not so for one U.S. Senator from California. It is time to amend the U.S. Constitution to make English the official language of the United States government, says Republican Sen. Samuel I. Hayakawa.

It is not linguistic snobbery, says an aide to Hayakawa. The senator, who has written several college-level books about the English language, is concerned that everyone in the United States communicate effectively with one language.

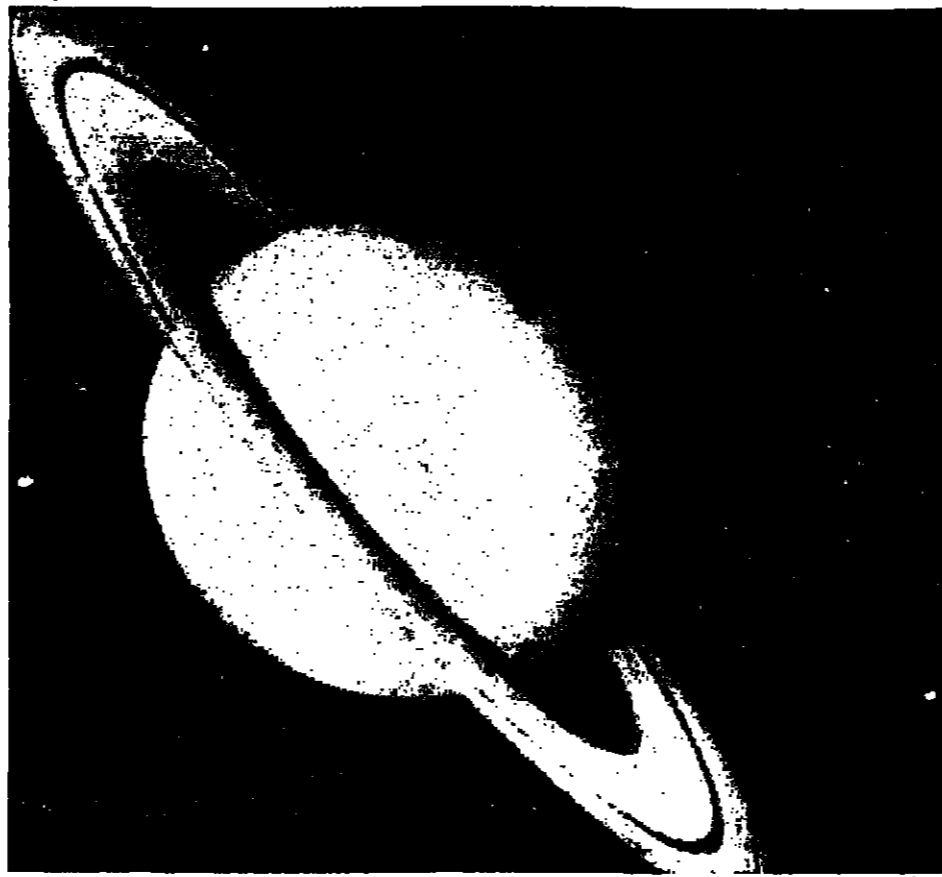
In the past decade, Hayakawa observes, English has been challenged by large concentrations of immigrant groups settling in the United States who choose to use their own native language. Dominance of non-English could lead to regional divisions in the United States, Hayakawa fears.

The so-called "Hayakawa amendment" was introduced in the U.S. Senate on April 27, 1981. Even if the bill makes it out of the Senate Judiciary Committee and passes the full Senate and House of Representatives, it must be passed by 38 state legislatures before being added to the constitution.

The impetus behind Hayakawa's push for the proposed amendment stems from policies under the administration of former U.S. President Jimmy Carter. Officials in that administration advocated bilingual education in public schools. This would have required teachers to conduct regular academic courses in students' native languages, in addition to foreign language classes now part of many curricula around the country.

Hayakawa also opposes bilingual voting ballots in some areas of the United States. Such legislation contradicts the requirements for naturalization as a U.S. citizen which say you must be able to "read, write, and speak words in ordinary usage in the English language."

A son of Japanese immigrants, Hayakawa has had personal experience with the problems of not knowing English in an English-speaking country.



(Wirephoto)
SATURN AND SATELLITES: Voyager-2 took this photograph of Saturn and two of its satellites while still 59 days and 35 million miles from its closest approach. The satellite Mimas is at upper left and Dione is at lower right. The rings in this photograph are much brighter than in photos taken by Voyager-1. The first spacecraft flew past Saturn in November, 1980, shortly after the planet's vernal equinox when the sun illuminated the rings almost edge-on so the rings were at the darkest. Now 16 months into Saturnian spring, the rings are fully illuminated and appear as bright as the planet.

\$75,000 exempted U.S. expatriates get tax cut

WASHINGTON, July 10 (R) — A congressional tax committee has voted to allow Americans working overseas to exclude the first \$75,000 of earned income from U.S. income taxes.

The provision, approved Thursday by voice vote, was put into the major income-tax reduction bill being drafted by the House of Representatives Ways and Means Committee.

U.S. construction and other companies, mainly in the Middle East and other high-cost

areas, say they cannot compete with foreign firms adequately because of U.S. taxes. The exclusion is designed to alleviate the problem, but congressional critics contend it may also induce highly paid people such as film and rock stars to flee the U.S. to foreign tax havens.

The Senate Finance Committee has approved a similar provision in its version of the tax bill. President law allows expatriate Americans to get tax deductions against cost-of-living costs.

Oil price war nears climax

LONDON, July 10 (R) — Key oil producing countries have lost millions of barrels per day in sales in the last few weeks as a crucial battle with Western companies over prices nears its climax, industry experts said Friday.

The fall in sales appears increasingly likely to force at least some producers into new price cuts. Such cuts could determine the shape of the oil market for years to come. Companies have slashed purchases from countries which are taking a hard line on prices and some of these states will soon face severe financial problems, oil analysts and bankers said.

But there are increasing signs of retaliation by the producers, while the cut in sales has begun to push up the free market price of oil after months of decline. One OPEC minister has threatened a blacklist of companies which break contracts and Mexico has responded to a cut in purchases by the French state oil company CFP by withdrawing valuable development orders from French industry.

Nevertheless, the industrialized world remains awash with oil, and the companies still appear to have the upper hand in negotiations with the pricing hawk, analysts said.

The key negotiations, analysts believe, are those with Libya, Algeria and Nigeria the largest producers in Africa who have the highest prices in OPEC at around \$40 a barrel. All three have insisted they will not cut prices.

In response, oil companies have suspended much of their purchases from all three countries, industry sources say. The companies had sought price cuts of around four dollars to bring the African crudes into line with other comparable ones.

Libyan output has fallen in the past few weeks to around one million BPD from 1.6 million in January and 1.8 million through much of last year, industry estimates say, while Algeria's output is falling toward

700,000 BPD from 900,000. Nigeria's production, more than two million BPD in January, has fallen to 850,000 BPD, according to the oil industry newsletter *Petroleum Intelligence Weekly* (PIW). Other estimates put it between one to 1.5 million BPD.

Bankers believe that Nigeria and Algeria in particular will not be able to stand the resulting loss in revenue for long because of their costly development programs and debts. "Nigeria is in a fragile position and is a classic case of a country which needs a high, sustained income from oil," a banker in London said. "Algeria also needs a high income."

So far, there has been no sign that any of the three nations will publicly lower official prices, but analysts believe that cuts are most likely to come through secret discounts or special terms, such as delayed payment.

Traders said that Algeria had made a sale of 100,000 BPD to a group of traders at some four dollars below the official price, but this could not be independently confirmed.

If the three cut prices, it will be a major step toward the unified system Saudi Arabia wants. The focus may then switch to Gulf states, many of whom are already dropping the premiums they have charged above their official prices. Talks on third quarters supplies should finish by July 10, but are likely to drag on as the producers and oil companies wait for each other to give way.

Some large companies are reluctant to damage relations with producers, fearing they may lose access to crude in the future.

The United Arab Emirates (UAE) Petroleum Minister, Mana Said Al-Odeiba, said OPEC might blacklist companies which broke contracts and refuse the supplies later on.

"There is a tendency now among the major companies to let others make the running," said analyst Michael Unsworth at London brokers Scott, Goff Hancock. "But they can afford to wait, the pressure is on the producers already because of falling sales."

Other analysts said producers' threats were not very effective because companies had not received fines from OPEC in the past and did not expect them in the future. In general, companies have to give a month's notice of suspension of purchases and sometimes have to pay a penalty but this is often less than the gain they can make by buying oil from cheaper sources, particularly the spot "free" market. Another form of retaliation is through industrial orders. CFP of France is reopening talks with Mexico on 100,000 BPD of purchases after Mexico's threat to stop valuable contracts.

But this weapon is limited in scope. Mexico has lost some 700,000 BPD of sales, about half its normal exports since early June, Western observers in Mexico said. The state company Pemex is seeking a two-dollar price rise after its cut of four dollars to \$30.60 a barrel was heavily criticized within Mexico. Britain Venezuela and several other pro-

(Continued on back page)

Army help considered Police reinforced to foil U.K. riots

LONDON, July 10 (Agencies) — Thousands of police were put on alert in major British cities Friday as authorities prepared for more street violence following a seventh night of disorder.

Home Secretary (Interior minister) William Whitelaw said he could not rule out the use of troops as a last resort in cases of extreme violence though he expressed serious doubts about such a step.

Whitelaw, speaking to reporters before touring a district badly damaged by rioters in the northwestern city of Manchester, also said the government prepared to reintroduce a riot act to bolster the powers of police confronted by mob violence. On Thursday night, police arrested 245 persons during rioting and looting by black and white youths in Liverpool, Manchester and several parts of London.

Belfast youth, woman killed

BELFAST, July 10 (Agencies) — A 15-year-old youth was shot dead in Belfast and a woman died in hospital after being injured in street riots following the death Wednesday of Irish Republican hunger striker Joseph McDonnell, police said Friday. Three persons have now died since McDonnell became the fifth hunger striker to starve himself to death this year in a campaign by jailed guerrillas for political prisoner status.

Police said the youth died of gunshot wounds when police and British troops shot at a sniper who fired at least 12 high velocity rifle bullets at them. It was not clear if the youth was directly involved in the shooting incident or was an accidental victim, they said. The dead woman was hit by an anti-riot plastic bullet fired by security forces in west Belfast Tuesday, according to local residents. Police said they were investigating the incident.

Officials said two policemen and two civilians were slightly wounded in other shooting incidents in Belfast and near the border with the Irish Republic Thursday night.

Sinn Fein, political front of the outlawed IRA named the dead youth as David Barrett of the Ardoyne and said he was killed by British forces. Rioting followed Barrett's death. Police said security forces were stoned and vehicles set ablaze, and the police fired plastic bullets to disperse the rioters.

A 16-year-old Catholic youth, John Dempsey, was shot dead by British troops Wednesday and Nora McCabe, 38, hit by a plastic bullet from a police riot in the Catholic falls road the same day, died Thursday in hospital.

Supporters of the hunger strike said Thursday that the fast will continue until the British government concedes convicted nationalists the special privileges that amount to political status.

Informed sources, meanwhile, said the Irish Commission for Justice and Peace planned a fresh attempt to negotiate an end to the hunger strike. The sources, who are close to the commission but who asked not to be identified, said there was "renewed hope" the panel could accomplish something, despite the collapse of its initiative earlier this week.

in London Friday where Scotland Yard said it expected further trouble this weekend.

"We have been given reliable tips that certain places in London are going to be attacked," a police statement said. "We have drawn up our contingency plans and hope we will be able to deal with any situation as it arises."

Police said they had managed to keep the violence Thursday night at a level below that of previous nights. It had spread through mainly run-down areas of big cities during the week and gangs set fire to cars, looted stores and attacked police.

As hundreds of police recovered from injuries, their trade union leaders urged the government to equip them with anti-riot gear similar to that used in other west European countries. "This is a war we are waging and it is one we must win," said a union leader appealing for armored personnel carriers, body armor, plastic bullets and water cannon.

In expressing caution about the possible use of troops against rioters, Whitelaw said experience in such troubled areas as Northern Ireland showed that "bringing the army in is followed by another trouble — how to get the army out." But he said the government was prepared to bring in a new riot act.

A previous riot act, dropped in 1967 after more than two centuries, gave police power to use any force against mobs and carried a maximum penalty of life imprisonment for rioters.

The government said Thursday, it was introducing legislation under which parents would be responsible for fines imposed on children of under 17 years of age.

There were 66 arrests in London alone after gangs of youths smashed shop windows, looted stores and attacked police with stones and bottles in several parts of the capital.

Gold rebounds to touch \$418.75

LONDON, July 10 (AP) — Gold gained ground in extremely quiet trading in Europe Friday, continuing its rebound above the 400 dollar-an-ounce mark, and the dollar slid against the major European currencies.

London's five bullion houses fixed a recommended morning gold price of \$415.25 Troy ounce, up from \$405 late Thursday. The afternoon fixing was \$418.75.

In Zurich, the metal traded at a median \$417.50, up from \$407.50. "I think it's mainly due to a weakening of the dollar," said one London gold trader. He said European trade was also influenced by gold's rally in earlier New York trading. Analysts also pointed to reports of fresh interest in gold by Arab investors.

Earlier in Hong Kong, gold closed at \$418.67 up from \$408.37, while the metal finished in New York late Thursday at \$411.50. On Wednesday gold dropped below \$400 for the first time in 19 months.

Silver gained in London, trading at a median \$8.95 an ounce, up from 8.75 Thursday.

Closing gold prices (in U.S. dollars per Troy ounce):

London	418.75
Paris	478.11
Frankfurt	415.95
Zurich	417.50
Hong Kong	418.67

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SR112 million in two hours

Welfare society builds hospitals

By a Staff Writer

RIYADH, July 10 — The Islamic Welfare Society which collected SR112 million within two hours of being formed has been building hospitals and other charitable works ever since, Riyadh Governor Prince Salman, its president, said here Friday.

Prince Salman, governor of Riyadh, said that the society was formed to provide charitable works to Muslims in general. It will start with the Kingdom and then branch out to other Islamic countries by contributing to charitable organizations there.

A committee was set up to study the requirements of various areas in the Kingdom and decided to commence its operations by building hospitals where treatment will be free for those who cannot pay. People who can will be charged so that the hospitals may become self-supporting in due course and generate their own incomes.

Three hospital projects were signed last year at a cost of SR608 million. They will be built in Makkah, Medina, and Riyadh. Each one will have 200 beds and accommodation for staffers. They will take 18 months to build. A committee of citizens in each city will be formed to the hospitals, manage or supervise their management.

Prince Salman said the society was also contemplating building clinics where they are wanted until the time comes to be replaced by full fledged hospitals.

Prince Salman laid the foundation stones of the three major hospitals. In Makkah, he announced that King Khaled had donated SR10 million, Crown Prince Fahd SR4 million and Defense Minister Prince Sultan SR2 million. The project costs SR220 million. The Medina hospital will cost SR200 million and Riyadh's SR188 million.



Prince Salman

The society also will be responsible for a charitable hospital being built in Asir, the Southern Region. The project is sponsored by the Southern Welfare Society under the relationship of Asir Governor Prince Khaled Al-Faisal. He has joined the Islamic Welfare Society in order to coordinate the charitable services of the two societies.

Prince Salman thanked the King Faisal Foundation for donating a piece of land in Riyadh to build a center for the handicapped and another donor who gave the society a land in Buraidah to build a hospital for the people of Qasim.

Another charitable institution is the Riyadh Welfare Society, established 11 years ago which obtains its fund from donors. Three years ago, a donor gave the

society SR10 million to be spent on its charitable services in the capital and surrounding areas.

Among other works the society is building a poor people's housing scheme in Deriyah, on an area of 12,000 square meters and aims at providing free accommodation to the needy. Women are catered for by a number of societies which give money to the needy, teach, instruct and provide care to mothers and children.

Another important charitable organization, the Committee for the Release of Indebted Prisoners takes upon itself the task of paying out the debts of people put in jail because of defaulting. In this way, it secures the release of hundred of prisoners who might otherwise have remained much longer behind bars. They can go back to society and start afresh.

The Eastern Province Welfare Society has a capital of SR33 million based on donations which will be spent this year. It provides social centers, medical and cultural services, a children's home and sundry other charities. Two thousand four hundred poor families were assisted during last year. It is presided over by prince Abdul Momen ibn Jiluwi, governor of the Eastern Province who has appealed for more donations during the current holy month of Ramadan.

The King Faisal Foundation was established five years ago to encourage Muslim scholarship and literary excellence and provide assistance to other charities and technical expertise. It was founded by the sons of the late King Faisal and aims at expanding its work worldwide. It is also financing research and development of solar energy and rewarding Muslim achievements in religion, Arabic literature and modern medicine and sciences.

Abdul Mujeed invites investors to Northern part

JEDDAH, July 10 — Tabuk Governor Prince Abdul Mujeed has invited would-be investors to look into the possibilities of setting up industries in the Northern Region because of the advantage that they can get there.

According to *Oks* Friday, Prince Abdul Mujeed said that he had received several requests to build poultry, sheep-fattening and dairy plants. He has also called on the private sector to participate in joint ventures aimed at increasing the industrial potential of the region.

He said that the region which lies in the extreme north of the Kingdom has excellent tourist attractions including mountains and beaches of the highest order. These could become quite popular with visitors from within the country and abroad.

The prince revealed that a Saudi Arabian businessman will build a physiotherapy center soon while the large hospital project will be built according to schedule. It will have 200 rooms, he said.

In another development the Mayor of Hail said his visit to Europe has prompted him to build a plant to convert garbage to fertilizers instead of burying it away as happening at present. Sheikh Ibrahim Al-Bilalhi said he visited Switzerland, Austria, West Germany and Britain to find out how municipalities there deal with their garbage. He said that the plant will be the first of its kind in the country.

Sarkis receives Kingdom's envoy

BEIRUT, July 10 (SPA) — President Elias Sarkis of Lebanon met Friday with Saudi Arabia ambassador here Ali Al-Saer. The meeting focused on reviewing new security developments in Lebanon.

Saer said that he informed President Sarkis about Foreign Minister Prince Saud Al-Faisal's welcoming to attend the forthcoming meeting of the Arab Follow-up Committee at the time agreed upon by all the participant members.

The Saudi Arabian diplomat asserted that the committee's meetings which aim at bringing national reconciliation into Lebanon are the beginning of a comprehensive and practical solution of the Lebanese crisis.

COMMENT

By Jasser Al Jasser
Al Jazirah

Quietly and without much fanfare Saudi Arabian diplomats abroad have been meeting in Taif to review the situation and policies of the countries to which they are accredited. Two months ago the ambassadors in Europe held a similar meeting which resulted in positive relations between the Kingdom and the continents.

I am sure that the latest round of meetings in Taif will give added incentive to our good relations with the countries in these two continents for various factors. These continents are the most populous in the world and we have excellent relations with most of the countries there. They also have large Islamic nations and communities which call for a high caliber of Saudi Arabian diplomacy to underscore the importance of the Kingdom and its religious responsibilities towards the rest of the Islamic world.

Prince Saud has no doubt intended to bring this to the notice of his ambassadors and underscore the significance of the Kingdom to the world, politically and economically not only in the Islamic states, but also to the non-Islamic group, OPEC, the U.N. and other international organizations to which the Kingdom contributes for the benefit of mankind.

As the importance of Saudi Arabia increases its diplomacy and quality of men representing it must also increase so that they may carry out their responsibilities to the best of their ability.

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Saud, envoys to end meeting

TAIF, July 10 (SPA) — Saudi Arabia's ambassadors in Asia and Africa will wind up their weeklong conference here Saturday with a final review of the situations and policies in the countries of their accreditation. It was announced here Friday, Foreign Minister Prince Saud Al-Faisal will attend the meeting which is being held at the Sheraton Hada, hotel.

The Thursday meetings reviewed the political orientations in Africa and Asia, the outcome of the last African summit conference held in Nairobi last month and cooperation between the Kingdom and those countries.

Prince Saud attended separate meetings of the ambassadors accredited to African and Asian countries. The Saturday meeting will combine all of them.

Deputy Minister Abdul Rahman Al Mansouri said that Prince Saud stressed the need for increasing the representation of the Kingdom in the friendly Asian and African states to further enhance its relations with them.

Prince Saud briefed the ambassadors about the Kingdom's Arab, Islamic and international relations.

Traffic increases 3-fold

PIA plans hotel in Abha

By a Staff Writer

JEDDAH, July 10 — PIA Investment Ltd., a subsidiary of Pakistan International Airlines, is planning to build a four-star hotel in Abha, the Southern Region's hill resort, next year. This will be the second hotel to be put up in the Kingdom by PIA Investment which already runs Minhal Riyadh Hotel, opened in January.

Minhal Corp., a subsidiary of PIA Investments which runs the Riyadh hotel, is also conducting feasibility studies for operating hotels in Yanbu and Jubail and opening a chain of restaurants in the Middle East, Muhammad Jalil, sales director of the hotel, told *Saudi Business* magazine this week.

PIA Investment's decision to expand the network of hotels in Saudi Arabia stems from the growing importance of the Kingdom as an international commerce and trade center. Jalil was quoted as saying. The company already runs four other hotels, three in Houston, New York and Washington and one in Abu Dhabi. Another factor which reinforced this decision is the bright start of Minhal Riyadh since its inception — occupancy has remained generally steady at 70 percent it is

claimed. Minhal Riyadh is a SR100 million venture with 50 percent Saudi Arabian private sector participation. The hotel, which has 255 rooms, banqueting facilities, two restaurants, swimming pools and huge car park, will soon introduce a computerized booking and accounting system to render instant service to customers. It thus hopes to keep pace with the snowballing passenger traffic to the Kingdom.

PIA Investment is not the only concern enjoying the business boom in the Kingdom. Its parent body, PIA never had it so good, with a three fold increase in its traffic to and from the Kingdom from 1977-78 to 1980-81. Accounting for 23 percent of the entire international network traffic, Saudi Arabia is the most importance destination for PIA today, according to Regional Manager Khursheed Anwar.

The Kingdom and the Gulf together account for more than one-third of its capacity and traffic operated on its total international routes. Anwar said. In 1977-78 PIA's traffic to and from Saudi Arabia was barely 13 percent, in comparison, of its international traffic.

Al-Sheikh to head higher council

TAIF, July 10 (SPA) — The Higher Council of Universities will hold a meeting here Monday to discuss certain issues related to developing the Kingdom's universities and planning their future work.

The resolutions of the meeting will be submitted to Crown Prince Fahd for approval, in his capacity as the chairman of the Higher Council of Universities. He is represented by Hassan ibn Abdullah Al-Sheikh, higher education minister and chancellor of

Saudi Arabian universities. The council consists of Planning Minister Hisham Nazer, Agriculture and Water Minister Dr. Abdul Rahman Al-Sheikh, Pilgrimage and Endowments Minister Abdul Wahab Abdul Wasie, the chairman of the Civil Service Bureau and rectors of universities.

In other educational developments, Education Minister Dr. Abdul Aziz Al-Khuwairat had signed two contracts for furnishing seven public libraries this week.

Prayer and Fasting Times

Saturday 10 Ramadan:

Maghreb (Sunset)	Isha (Night Prayer)	Sahoor	Fajr (Dawn)	Ishraq (Sunrise)	Dhuhr (Noon)	Asr (Afternoon)
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Chatti meets British officials

LONDON, July 10 (AFP) — Habib Chatti, secretary general of the Jeddah-based Organization of the Islamic Conference (OIC) met with British Foreign Minister Lord Carrington Thursday. They discussed recent developments in the Middle East problem as well as Britain's call for an international conference on Afghanistan to end Soviet occupation of the Islamic country.

Chatti arrived here Wednesday night from Paris where he attended an international symposium on Islam, organized by the UNESCO. Later, he also met with Deputy Foreign Minister for Foreign Affairs Ian Gilmor. The meeting centered on discussing viewpoints over issues of mutual interest. The Middle East problem, the Afghan issue and the Iraqi-Iranian war were leading topics in the deliberations.

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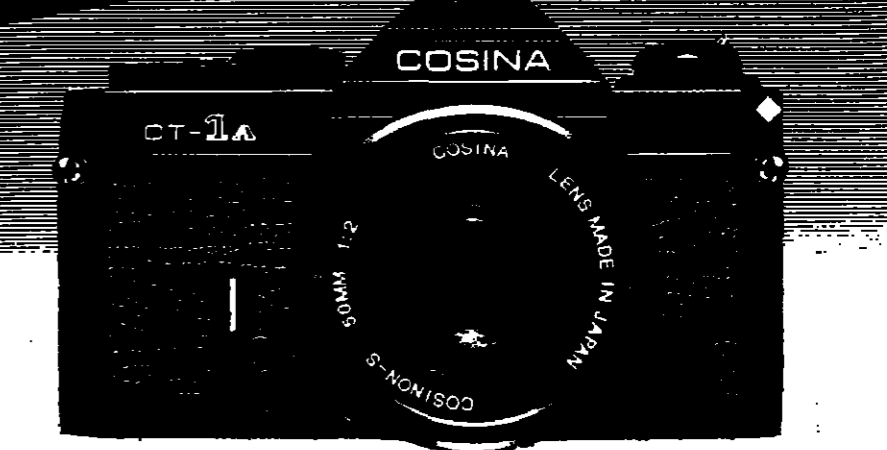
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On Ogaden

Ethiopia rules out talks with Somalia

ADDIS ABABA, July 10 (R) — Ethiopia has ruled out negotiations with Somalia on the disputed Ogaden desert unless Somalia formally renounced its claims over the territory.

A statement by the Ethiopian Foreign Ministry accused Somalia of pursuing expansionist policies and not respecting the principles of the Organization of African Unity (OAU). The statement apparently was in response to a recent interview in which President Siad Barre of Somalia said he was prepared to meet Ethiopian leader Mengistu Haile-Mariam for peace talks on the Ogaden.

Iran orders purge in armed forces

BEIRUT, July 10 (Agencies) — Ayatollah Khomeini has ordered a purge of dissenters throughout Iran's army, navy and air force as government executioners put to death more leftist opponents of the nation's fundamentalist clergy.

"Troops in the three armed services are required to report to their commanders any deviating elements in their ranks," the 81-year-old Khomeini said in a message to acting commander-in-chief Gen. Vaezollah Fallahi. The message was carried by the official Pars News Agency and broadcast by Tehran Radio. "The commanders are equally bound to hand over such deviants to courts to be duly tried and punished," Khomeini said. Pars pointed out that "the Imam (Khomeini) emphasized these instructions as a warning to all commanders whose failure would be a cause for questioning."

Meanwhile, three young Iranian dissidents were shot Friday after being charged with "creating clashes, insulting authorities, theft and subversive relations with the hypocrites," Radio Tehran said. Hypocrites is the official jargon for the Marxist People's Mujahedeen, many of whom have been arrested or shot in a crackdown over the past few weeks.

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The two countries went to war over the region in 1977.

Full-scale fighting ended a year later when Ethiopian troops armed by the Soviet Union and backed by Cuban combat soldiers crushed a Somali force. The statement described Barre's offer as propaganda and added: "If Siad Barre and his coterie seriously mean business, they must first and foremost renounce their expansionist policy and show in deeds that they want to live in peace with their neighbors. They have to respect the principles and decisions of the OAU. Then and only then will they be taken seriously."

A fire set off by a molotov cocktail destroyed the library at Tehran's Al Hadi Mosque Wednesday night, the *Kayhan* newspaper reported Thursday. It blamed the incident on "counterrevolutionaries."

On the presidential election front the students who masterminded the 15-month occupation of the U.S. Embassy in Tehran supported Prime Minister Muhammad Ali Rajai as next president.

The Organization of Unity, an Islamic society that represents the embassy students and their supporters, was among bodies listed by Tehran's *Islamic Republic* newspaper as having declared their support for Rajai in the July 24 poll. The newspaper said Rajai would stand as the official candidate of the IRP which last month engineered the downfall of Iran's first president, Abolhassan Bani-Sadr.

AMMAN, (R) — Twelve new cases of cholera were reported in Jordan Thursday, bringing to 87 the total for the epidemic which broke out last Sunday, health ministry officials said.

TEL AVIV, (R) — The Israeli authorities on the occupied West Bank have sacked Anis Al-Maharza, an Arab mayor of Dabirya, near Hebron, convicted of helping a Palestinian wanted for nationalist activity, military sources said Friday.

KHARTOUM, (AFP) — Two Chadian factions-in-exile have welcomed the formation of a political-military front aimed at getting Libyan forces out of Chad, Sudan's News Agency reported Friday.

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Syrian-Soviet maneuvers said winding down

WASHINGTON, July 10 (R) — The U.S. Defense Department has said joint Soviet-Syrian maneuvers in the eastern Mediterranean were winding down and the number of Soviet ships in the region had decreased. Spokesman Henry Catto minimized the significance of the maneuvers although he said the deployment of the ships showed the extent of Soviet naval strength.

He told reporters the Soviet Union now had 44 ships in the region — 18 combat ships and 26 support vessels — down from a total of 53 at the height of the exercise. Catto said some Soviet troops, presumably landed from the ships, had also taken part in land exercises in Syria during the maneuvers.

Final accord reached on Sinai

CAIRO, July 10 (AP) — Egypt, Israel and the United States have reached a final agreement after six-month talks on the formation of a multinational military force to patrol the Sinai peninsula, the foreign ministry announced Friday.

The patrol would not exceed 2,300 personnel. The cost of maintaining the force, expected to be announced \$100 million annually is to be divided equally between the three signatories to the agreement.

The United States, which is sending some 800 soldiers to the force, has said it is willing to bear the brunt of the first year's operating costs, about \$200 million, by putting in the extra \$100 million.

BRIEFS

PARIS, (AFP) — Lebanese Foreign Minister Fouad Boutros flew in here Thursday from Beirut for a private visit and medical treatment.

KHARTOUM, (AFP) — Sudanese President Jaffar Numeiri will send written messages to Arab heads of state on his country's current and future relations with the Palestine Liberation Organization (PLO), the Sudan News Agency has reported.

ISTANBUL, (AP) — Military investigators released Hikmet Cetinkaya, the regional editor of Turkey's leading leftwing daily *Cumhuriyet*, after 17 days of questioning in Izmir, a newspaper official reported Friday.

Sahrawi minister demands ceasefire before referendum

ALGIERS, July 10 (AFP) — The proposed referendum on self-determination for Western Sahara must be preceded by a ceasefire negotiated directly by Morocco and the Polisario Front and the withdrawal of Moroccan troops and administrative officials from the disputed territory, Sahrawi Information Minister Salem Ould Salek has said.

Salek stressed the primary need to determine the conditions of the referendum, the principle of which was approved by the recent Organization of African Unity summit in Nairobi, before arranging the practical details. He rejected as "a violation of the letter and spirit" of the Nairobi resolution King Hassan II of Morocco's recent statement that he would be organizing a referendum to confirm the Moroccan character of the territory.

On the controversial question of voter eligibility, Ould Salek called for a new census

operated by a neutral administration after Moroccan withdrawal. Recalling that France's Socialist Party had favored the right of Saharans to self-determination before it came to power, Ould Salek said that both sides on an equal footing and adopting an attitude of neutrality toward them.

Ould Salek, whose Algiers-based Sahrawi Arab Democratic Republic controls the Polisario in the fight with Morocco for control of Western Sahara, said the recent renewal of contacts between Rabat and Tripoli did not worry him.

Begin to meet Reagan, Sadat

TEL AVIV, July 10 (Agencies) — Israeli Premier Menachem Begin will meet U.S. President Ronald Reagan in Washington during the first week of September, Israeli television has reported.

It said Begin's visit to the U.S. would last a week and that he would be accompanied by Foreign Minister Yitzhak Shamir. The television added that Israeli Ambassador to the U.S. Efraim Evron has returned to Israel to help work out details of the visit.

Meanwhile, Egyptian President Anwar Sadat and Begin will meet in Egypt before the end of this month, the Middle East News Agency reported Thursday in Cairo.

Happy Ramallah family reunion starts in Houston

By Freeman Gregory
Houston Bureau

HOUSTON, July 10 — Perhaps the most festive and unusual family reunion in the world is presently under way at the Hyatt-Regency Hotel in Houston, Texas.

Approximately 3,000 descendants of the first seven families to inhabit the West Bank city of Ramallah have gathered in this southwestern city for their 23rd annual convention. Properly known as the American Federation of Ramallah, Palestine, the organization meets each year to re-acquaint its members with one another and pass down its Palestinian heritage to its sons and daughters.

This year's emphasis, according to federation president Jawad George, is on the woman's role in Palestinian society. The annual reunion is so large and unusual, George said, that the *Guinness Book of World Records* has been in contact with them and may place the federation in its publication as the world's largest family reunion.

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	MONDAY	AF490	Dep. 0055	Arr. 0515	747
PARIS	SATURDAY	AF462	Dep. 0155	Arr. 0705	747
	SUNDAY	AF488	Dep. 0155	Arr. 0845	AB3
	MONDAY	AF490	Dep. 0055	Arr. 0740	747
	WEDNESDAY	AF478	Dep. 0155	Arr. 0705	747
	THURSDAY	AF119	Dep. 0830	Arr. 1505	AB3
* in cooperation with Saudia *					
DJIBOUTI	SUNDAY	AF491	Dep. 0020	Arr. 0210	747
DAR ES SALAM	SATURDAY	AF489	Dep. 0015	Arr. 0425	AB3
MORONI	SATURDAY	AF489	Dep. 0015	Arr. 0655	AB3
SEYCHELLES	FRIDAY	AF463	Dep. 0155	Arr. 0720	747
REUNION	TUESDAY	AF479	Dep. 0155	Arr. 1110	747
	FRIDAY	AF463	Dep. 0155	Arr. 1045	747

FROM DHAHRAN TO:

PARIS	TUESDAY	AF151	Dep. 0050	Arr. 0635	AB3
	WEDNESDAY	AF197	Dep. 0050	Arr. 0620	747
	THURSDAY	AF153	Dep. 0050	Arr. 0635	AB3
	FRIDAY	AF155	Dep. 0050	Arr. 0635	AB3
	MONDAY	AF191	Dep. 0130	Arr. 0710	747
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	MONDAY	AF196	Dep. 2205	Arr. 1405	747

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PROJECT ANNOUNCEMENT

CONSTRUCTION OF CHILLED WATER SYSTEM EXPANSION
AT JEDDAH, SAUDI ARABIA

THIS ANNOUNCEMENT IS FOR THE PURPOSE OF SOLICITING FIRMS OR JOINT VENTURES INTERESTED IN PREQUALIFYING FOR THE ABOVE PROJECT, CONCURRENT WITH AUTHORIZATION REVIEW NOW UNDERWAY IN UNITED STATES AND SAUDI ARABIAN GOVERNMENT CHANNELS. PARTICIPATION BY FIRMS WITH SAUDI ARABIAN OWNERSHIP OR JOINT VENTURES WITH FIRMS HAVING SAUDI ARABIAN OWNERSHIP IS ENCOURAGED. PREQUALIFICATION OF CONTRACTORS WILL BE ACCOMPLISHED BY THE MIDDLE EAST DIVISION, CORPS OF ENGINEERS. FIRMS INTERESTED IN PREQUALIFICATION FOR THIS PROJECT MUST SUBMIT, NOT LATER THAN 24 AUGUST 1981, ENG FORM 3627, "PREQUALIFICATION STATEMENT FOR PRIME CONSTRUCTION CONTRACTORS" AND RELATED DATA DEPICTING CURRENT CAPABILITY AND FINANCIAL RESOURCES FOR ACCOMPLISHMENT OF WORK. SAUDI ARABIAN FIRMS MUST SUBMIT COMMERCIAL REGISTRATION NUMBER (C.R. No.) WITH EITHER EXPRESSION OF INTEREST OR ENG FORM 3627. CONTRACTORS THAT HAVE PREVIOUSLY SUBMITTED ABOVE INFORMATION MUST REPLY, IF INTERESTED, AND SUBMIT UPDATED INFORMATION IF PREVIOUSLY SUBMITTED DATA IS MORE THAN ONE YEAR OLD. ADDITIONALLY, CONTRACTORS SHALL INDICATE ADDRESS FOR ALL COMMUNICATIONS PERTAINING TO THIS PROJECT AND IF PREQUALIFIED, SHIPPING ADDRESS FOR SOLICITATION DOCUMENTS. PROPOSERS MUST PRECISELY IDENTIFY THE ENTITY BEING PREQUALIFIED. ALL CONTRACTORS MUST BE PREQUALIFIED IN ORDER TO RECEIVE A REQUEST FOR PROPOSAL (RFP) AND PROPOSALS WILL BE ACCEPTED FROM PREQUALIFIED ENTITIES ONLY. IF PREQUALIFIED, A COPY OF ANY JOINT VENTURE AGREEMENT WILL BE REQUIRED FOR SUBMISSION WITH YOUR PROPOSAL.

PROJECT SCOPE

CONSTRUCT TWO CHILLED WATER PLANTS WITH CAPACITIES OF 70,000 MBH AND 100,000MBH. SEA WATER COOLING WILL BE USED NECESSITATING SEA WATER INTAKE AND DISCHARGE STRUCTURES AND PUMPING STATIONS. CONSTRUCTION ALSO INCLUDES EXPANSION OF THE PRIMARY AND SECONDARY DISTRIBUTION MAINS. A CENTRALIZED COMPUTER CONTROL SYSTEM WILL BE UTILIZED TO INTERCONNECT THE TWO NEW PLANTS WITH TWO EXISTING PLANTS. EXTENSIVE INTERFACE WILL BE REQUIRED WITH THE EXISTING SYSTEM IN RELATION TO PRODUCTION, CONTROLS PUMPING AND DISTRIBUTION. SUPPORTING FACILITIES INCLUDE CONTROL AND PRODUCTION BUILDING, PARKING LOT, DREDGING AND UNDERWATER STRUCTURES.

CONTRACT PROCEDURE

REQUEST FOR PROPOSAL (RFP) WILL BE ISSUED TO APPROVED PREQUALIFIED FIRMS ONLY, AND RESULTANT CONTRACT AWARD WILL BE ON A FIRM FIXED PRICE BASIS.

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Talks on nuclear fuel

Indira blames U.S. for armament race

NEW DELHI, July 10 (AP) — Prime Minister Indira Gandhi said Friday that India will not seek to develop nuclear weapons, even if neighboring Pakistan secures atomic bombs. At the same time, Mrs. Gandhi told a news conference the planned sale by the United States of sophisticated F-16 jet fighters to Pakistan — with whom India has fought three wars — was a threat to India and was pushing the subcontinent into an arms race.

Mrs. Gandhi repeated that India, which exploded a "peaceful nuclear device" in 1974, is pursuing a peaceful nuclear policy and not developing a weapons capability. Asked if India would change its policy if Pakistan develops a bomb, the prime minister gave this reply: "No, we don't believe in the deterrent theory. I don't know how it would help if we also had nuclear weapons."

Her statement came three days before American and Indian negotiators open talks here on the continued sale of U.S. nuclear fuel to India for its atomic power station at Tarapur. The United States is threatening to cut off sales of the enriched uranium because India has refused to open all its nuclear facilities to full international safeguards and inspection.

Asked about next week's talks, Mrs. Gandhi declined comment, saying she preferred to "wait and let us have it." But she said defiantly: "We will keep Tarapur going."

While the prime minister did not elaborate on plans to keep the U.S.-built, 400 megawatt reactor running, it is generally believed that the 12-year old power plant near Bombay would be converted to use mixed oxide fuel which India could produce itself.

The last fuel delivery came last fall after a heated debate in Congress. The U.S. Nuclear Regulatory Agency (NRA) earlier forbade two 19.8 million ton shipments, saying it was illegal because India would not agree to the international safeguards as a 1978 U.S. Law requires. Then president Jimmy Carter overrode the NRA, but the lower house of Congress voted against his order. The sale finally went through when the Senate narrowly backed Carter.

Meanwhile, Mrs. Gandhi said in a prepared statement that "our entire country is deeply concerned that Pakistan is acquiring such sophisticated aircraft" as the F-16 fighter-bomber. "The F-16 represents the induction into this region of a class of aircraft



Indira Gandhi

a generation ahead of anything operating with other air forces of the area," she said.

Mrs. Gandhi added that "the offensive strike capability of even one such aircraft is at least three times that of the MiG-21," the workhorse of the Indian Air Force. She did not mention the newer MiG-23 aircraft India began receiving from the Soviet Union earlier this year, or the ultra-sophisticated MiG-25 jet fighters that it has on order. India is also negotiating with France to buy some of its latest Mirage 2000 jets.

The Pakistan air force, even without the F-16, already has and will continue to have for some years, a deep strike force three times of our own," Mrs. Gandhi told the news conference.

"Thus the subcontinent is being willy-nilly pushed into an arms race, (which is) increasing (the) financial burden on our people at a time when our limited resources should have been entirely used for the needs of our people and to make up for lost time in technological and scientific progress," she said.

Mrs. Gandhi added in response to a question that a country does have the right to defend itself. "But the question is, 'what are the defense needs of the country?' They (Pakistan) have themselves, I believe, said that there is not much likelihood of the F-16s being used against the Soviet Union. Now do they need the F-16s to fight against the Afghan people and government?" she asked.

The United States has said it will sell F-16s to Pakistan to counter the threat posed by the 1979 Soviet military intervention in neighboring Afghanistan. The deal has not been concluded, and the number of planes to be sold and the delivery dates have not been set.

"When you make such a tremendous jump, from one generation (of aircraft) to another, you create tremendous problems for neighbors," the Indian leader said.

Mrs. Gandhi added that India "certainly is not helpless," but she said some countries are now worried about being "sucked into anybody else's strategies or interests. Even certain quite important countries are feeling that way."

Five-tiered cake planned for Charles wedding

CHATHAM, England, July 10 (AP) — The royal wedding cake for the July 29 marriage of Prince Charles and Lady Diana Spencer will contain 151 pounds of fresh eggs and will be 4 1/2 feet tall. Rich in currants, sultanas, raisins and cherries, the fruit cake has been prepared layer-by-layer at the Royal Navy Cookery School here since May.

According to details released, the five-tiered cake, coated with marzipan, took five hours to frost. "The making and baking was straightforward" said chief petty officer David Avery, 38, master baker at the school. The hardest part is getting the cake from here to London. "We have thought of taking it by sea, but it could be a rough day. It will probably go by road, but suppose somebody gave us a bash — all that fine icing."

The official program for the wedding with the prince's coat of arms on the cover, has been unveiled. The 24-page booklet will go on sale July 16 and will cost 50 pence (9 cents) with proceeds going to charities for the physically handicapped.

Mixed welcome

Mrs. Peron arrives in Spain

MADRID, July 10 (AP) — Former Argentine President Isabel Peron arrived in Spain Friday after five years in prison at home and was met with cries of support from Peronists and shouts from other Argentinians calling her a "witch."

Police jostled with photographers, reporters and the crowd for 15 minutes before the widow of the late Argentine leader could clear customs. She left Madrid's Barajas airport for a downtown hotel without saying a word.

Flanked by her personal entourage, Spanish Civil Guards and National Police, she sped away in a black sedan. Mrs. Peron flew to Madrid from Buenos Aires four days after she was released from prison.

Mrs. Peron was overthrown and arrested in 1976, accused of misusing government funds after she succeeded her husband, Juan Domingo Peron, on his death. The founder of the Peronist labor movement returned to Argentina from Madrid after long years of exile and won the presidency in 1973 elections.

An estimated 200 Peronists jammed around the airport customs door waving Argentine flags and chanting "Isabel, Isabel." A smaller opposition group iden-

tified by the Peronists as Argentine leftist shouted against the former chorus girl who rose to the presidency after being elected vice president on the same ticket with her late husband.

Mass burial planned for Indian brew victims

NEW DELHI, July 10 (R) — Workers were digging graves Friday for a mass burial of victims of a lethal liquor that killed 311 persons and left 135 others fighting for their lives in hospitals in southern India. The Press Trust of India (PTI) said bodies of the victims were laid in a row in a graveyard in Bangalore, the capital of Karnataka state for burial.

The macabre drinking spree started Monday night mostly in the city's working class district of Munireddipalaya and since then hospitals have taken in a steady stream of victims. The disaster also hit Mysore, about 130 kms from Bangalore, where 16 persons died from the same illicit drink believed to contain methyl alcohol, the news agency said.

Police said 86 persons died Thursday alone and victims continued to be brought to Bangalore's Bowring hospital for treatment.

2nd British press shakeup

Lonrho takes over Observer

LONDON, July 10 (AP) — The British government has given the go-ahead for the acquisition of *The Observer* newspaper from the U.S. oil group Atlantic Richfield.

The giant British-based Lonrho Conglomerate, the new owners, then immediately announced plans to launch a new London evening newspaper, in addition to the *Observer*. The new evening paper will be printed on the *Observer's* London presses.

Trade Secretary John Biffen said he had consented to the Lonrho takeover of the 190-year-old *Observer*, Britain's oldest Sunday newspaper, after safeguards he and editor Donald Treford demanded were finally hammered out early Thursday morning to ensure its editorial independence.

Shortly after Biffen's statement in the House of Commons, Lonrho director Paul Spicer said the company, in addition to owning the *Observer*, would launch a new London evening newspaper "as soon as possible." London has had only one evening newspaper, *The New Standard*, since the demise of the 99-year-old *Evening News* Oct. 31, 1980.

Biffen paid tribute to Treford for his fight to ensure "the independence of his newspaper." Treford commented: "This is an important victory for editorial freedom and independence. Lonrho has willingly offered all the safeguards we have been fighting for."

The safeguards turn on the appointment of five independent directors to ensure the paper's independence and guarantees on the editor's control of the paper's content and staff.

Fears were expressed when the takeover was announced February that Lonrho and its chief executive Roland Rowland might usurp the *Observer's* editorial independence, especially regarding foreign reporting. Lonrho has widespread interests abroad, especially Africa. The one-million circulation *Observer* is widely respected for its liberal views.

The government referred the deal to the Monopolies Commission last March. The Commission, headed by a senior judge and set up by parliament to advise on proposed business deals, ruled the deal would not be against the public interest.

On Feb. 25 Lonrho said it had bought the *Observer* in a \$11.22 million stock transaction with Atlantic Richfield, which is based in Los Angeles, California. It said the deal gave Atlantic Richfield a 40 percent share in Lonrho's successful Scottish publishing business, George Outram.

On March 4, Lonrho said the terms were changed to a 20 percent holding in Outram and \$5.61 million cash. Outrams publish two of Scotland's biggest newspapers, *The Glasgow Herald* and *The Evening Times*. No terms were announced for the deal Thursday.

Atlantic Richfield acquired the newspaper in 1976 and spent \$20 million subsidizing it. Much of the trouble came from wildcat strikes by technical staff over pay. Rowland says he will close it if it does not make a profit.

The *Observer* takeover was the second major shakeup in Britain's newspaper industry this year. Last Feb. 13 Australian newspaper magnate Rupert Murdoch bought the heavily losing prestigious *Sunday Times* of London, its stablemate *The Sunday Times* and three *Times* supplements from Canadian Lord Thomson of Fleet for \$22.44 million.

Rowland, an ex-railroad porter, said he is looking forward to competition with Murdoch's *Sunday Times*. The British press "needs competition and that is what it is going to get," he said.

New aid said helpful to liver cancer patients

ANN ARBOR, Michigan, July 10 (AP) — Tens of thousands of persons afflicted each year with liver cancer could survive for years, instead of months, using an internal drug-release system pioneered at the University of Michigan Medical Center.

The main feature of the system is a small pump about the size and shape of a hockey puck that is planted just under the skin of the abdomen, said Dr. William E. Ensminger, associate director of the University of Michigan General Clinical Research Center Thursday.

Surgeons insert a narrow tube from the pump to the hepatic artery, which supplies blood directly to the liver. "The pump steady-

ly releases anti-cancer drugs directly into the hepatic artery, which continuously exposes the tumor in the liver to very high — and hence more effective — concentrations of the drug," Ensminger said. The pump permits drug levels in the liver 100 to 400 times greater than obtainable through conventional chemotherapy.

About 50,000 Americans are afflicted with liver cancer each year, and Ensminger said a significant percentage could benefit from the pump. "In about 85 percent of the cases, tumors are significantly reduced. This method enables us to extend life expectancy from about four to six months to beyond two years," he said, noting that untreated cancer grows rapidly in the liver.

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Brigades threaten to kill Cirillo

Urge welfare of poor to save victim

NAPLES, Italy, July 10 (Agencies) — The Red Brigades, Italy's most feared urban terror gang, has threatened to kill Cirillo, a Christian Democrat politician being held in their "people's prison" since he was kidnapped April 27, police sources reported.

In a message Thursday picked up by the Naples daily *Il Mattino*, the Red Brigades said Cirillo, 60, an influential member of the Naples regional government, has been "sentenced to death."

"The trial is over and it was decided to put to death this hangman, a just sentence in this class-divided society," said the message retrieved by a reporter from a garbage can after being led there by an anonymous caller. The statement, accompanied by a photo of Cirillo holding Wednesday's edition of *Il Mattino*, added that the only way to save Cirillo is to accept their demand for the "welfare of the poor."

The regional government has rejected the terrorists' demand for acquisition of all empty houses in the area for distribution to those left homeless by a massive earthquake last November and sharply increased state benefits for all unemployed.

The Red Brigades, which abducted and killed former Premier Aldo Moro in 1978, snatched Cirillo after killing his driver and a bodyguard near his house outside Naples.

On Monday, police found the bullet-riddled body of Giuseppe Talerico, an executive of Italy's largest petrochemical group Montedison who was kidnapped by the Red Brigades May 20. Talerico's body was wrapped in a blanket in the trunk of a stolen car parked on a street near his office at Porto Marghera near Venice.

His body was found 10 days after a Red Brigades statement said he had been condemned to death as an "enemy of the working class."

In a rare public expression of dissent with other sections of the movement, Brigades in Rome Thursday said they "disapproved" of the killing of Talerico, whose death provoked a sympathy strike by millions of workers and managers. "The comrades (in Venice) have disorientated the masses and acted outside the line of the organization," the Rome group said in a statement.

The Brigades, which have regrouped following arrests and defections last year, are also holding an Alfa Romeo car company manager and the brother of Patrizio Peci, a former guerrilla who turned informer. But Cirillo, aged 60, is their most important prisoner. Despite the death threat, the Brigades held out a slim hope of a reprieve, imposing conditions that authorities have so far ruled out.

But the death sentence on Cirillo was "the



FORMER BRIGADES: Three "repentant" former members of the Red Brigades, (from left) Patrizio Peci, Roberto Vacca and Roberto Sandalo, who have turned against their former guerrilla comrades. They are the most guarded prisoners in Italian jails.

highest act of humanity" possible, the Brigades said, repeating the phrase used by the section which kidnapped and murdered Aldo Moro.

Unlike the Rome group, the Naples cell gave its full backing to the murderer of Talerico. "The execution was the just end of his proletarian trial," it said. The split in the Brigades lends weight to a theory that their once-rigidly centralized structure has broken down.

France plans draft law to abolish death penalty

PARIS, July 10 (Agencies) — Justice Minister Robert Badinter has said that France's new Socialist government will put a draft law for abolition of the death penalty before parliament in October. "France must have a new justice — freer, more humane and efficient," he told a press conference. "France, traditionally a land of peace, cannot have a justice which kills."

The bill, if adopted, will spell the end for the guillotine, which earned a chilling reputation during the French revolution nearly 200 years ago. Socialist President Francois Mitterrand, who took office May 21, is a staunch opponent of the death penalty. One of his first acts in office was to commute a death sentence imposed on a 25-year-old man convicted of killing a prison guard.

The seven remaining prisoners on death row here are also expected to have their sentences commuted to life imprisonment. The guillotine was also used in September 1977 to execute immigrant worker Hamida Djandoubi, convicted of torturing and murdering his 20-year-old girlfriend.

and that small groups are acting autonomously.

Hardliners are known to have hotly opposed the decision of the Rome cell in January to free a Rome judge it had questioned and held hostage for over a month. The two other Brigades' hostages, electrician Roberto Peci and auto executive Reazo Sandalo, are both undergoing interrogation and their captors have also threatened to kill them.

Badinter said Thursday, more than 5,000 prisoners will be freed from French jails under the government's amnesty bill and expected presidential pardons. Badinter told a press conference that French prisons are overcrowded, with 40,500 inmates occupying space for only 30,000.

Those freed under the amnesty would almost all be minor offenders, along with militant regional autonomists jailed by the state Security Court, an emergency tribunal that the government decided to abolish. On the international level, Badinter reiterated that France will continue to be a "haven" for political refugees and "freedom fighters," but will not provide a sanctuary for subversion.

He refused however to comment in detail on the problem of extradition, particularly where it concerns Spanish Basque militants living in France. France's proposed penal reforms, which include abolition of the death penalty, arrive in the midst of a "crisis situation," Badinter said.

Two indicted for espionage in America

LOS ANGELES, July 10 (AP) — A radar engineer with a top secret clearance and a Polish businessman have been indicted on charges of espionage in a case involving the theft of sensitive documents from Hughes Aircraft Co.

A grand jury Thursday returned a two-count indictment charging William Holded Bell and Marian W. Zacharski with crimes that could mean sentences of life imprisonment if they are convicted. The indictment outlines an alleged spy conspiracy beginning in early 1978 and continuing until the two men were arrested late last month.

Both men were charged with "conspiracy to gather or deliver defense information to aid a foreign government." Assistant U.S. Attorney Robert B. "weir" announced the indictment, said vital dates for the pair would be set at Monday's arraignment.

One count of the indictment specifically charges Bell with stealing a document titled "Dual Purpose Weapon Systems (DPWS) Study Effort Final Report," which was dated September 1979 and was marked "secret."

The U.S. government charged that Bell, 61, traveled to Geneva, Switzerland, last April 22 with photographs of that document and transferred the items to agents of the Polish People's Republic.

The first count lists 20 specific acts allegedly committed to further the alleged conspiracy, including four different trips by Bell to Europe to meet with Polish agents between November 1979 and April 1981.

FBI agents have said that Bell told them he agreed to steal information from Hughes Aircraft, where he had worked since 1952, because he needed money. Eventually, he was paid about \$110,000 in cash and gold coins by Zacharski, the FBI said.

The two men met at the plush oceanfront condominium where both lived with their families. *The Los Angeles Times* said Bell filed for bankruptcy in 1976.

MX approved

WASHINGTON, July 10 (AP) — The House is supporting the MX missile, but is expressing doubts about a plan to shuttle it among 4,600 concrete shelters in Utah and Nevada. By a vote of 316-96, the House on Thursday rejected a move to cut \$2.4 billion for the mobile missile system from a \$136 billion military spending bill.

But they approved by voice vote, subject to a possible roll-call later, a proposal to delay building the shelters until President Reagan decides whether he backs the concept. Further action on the bill was scheduled for Friday. The legislation may not be completed until next week.

Reagan may be forced to introduce army draft

WASHINGTON, July 10 (AFP) — America's ambitious rearmament program could force President Ronald Reagan against his personal inclination to re-establish compulsory military service, it is believed here in military circles.

The White House announced Wednesday the creation of a group of experts under Defense Secretary Caspar Weinberger charged with working out proposals in the matter before year's end, so that supplementary expenses if needed can be included in the 1983 budget coming up for discussion next January.

Experts consider more and more that the professional army, as it exists after ex-President Richard Nixon abolished the draft in 1973, will not be up to the requirements of the American war machine now being built up.

Gen. Maxwell Taylor, a former chief of the joint chiefs of staff, recently warned that "a further retention of the volunteer system would mean a further retention of mediocrity in military personnel and combat unpreparedness in a large part of our forces."

That mediocrity is seen here as a consequence of the traumatic American retreat from the Vietnam War. Ever since, a career in the armed forces has failed over the past eight years to attract the more brilliant elements in the nation into the armed forces.

To obtain the necessary manpower, the U.S. Army was forced to lower its criteria for

admission, which explains the massive arrival of recruits from the poorest strata of the population, and notably the blacks, making for an extremely low level of education.

Specialists on the other hand keep being drained from the armed forces into private industry by better money, so that the U.S. Navy presently lacks 20,000 non-commissioned officers and the U.S. Air Force 2,000 pilots.

Upon his arrival at the White House, President Reagan promised he would ask Congress to upgrade the salaries of military officers so as to make a military career more attractive. But experts doubt that this will be enough to attract the 10 percent more volunteers needed by the armed forces.

In a secret report, the army apparently told it would need another 100,000 men by 1987 to be able to respond to the needs of an expanded military establishment, including soldiers for the budding rapid deployment force.

Despite his misgivings about reintroducing the draft, Reagan has not canceled the decision taken by former President Jimmy Carter re-establishing a precautionary registry of young Americans between the ages of 19 and 20.

It is probable, however, that reintroduction of compulsory military service would provoke a lot of hostility in Congress as well as within public opinion, something the president is evidently in no hurry to face.

U.S. 'lacks medical facility' to care for war casualties

WASHINGTON, July 10 (AP) — U.S. military services lack sufficient medical facilities to care for the sick and wounded should a war break out, the Pentagon's chief medical official said Thursday.

"The harsh reality is that if the United States entered combat today — whether in the Far East, in Southwest Asia or in Europe — we would not care for our casualties," John H. Moxley told a House of Representatives Defense Appropriations Subcommittee.

"We do not have enough deployable hospitals of any kind to provide even emergency surgical treatment required to prepare a predicted number of patients for evacuation," said Moxley, a Carter administration holdover who is shortly leaving his post as assistant secretary of defense for health affairs.

Moreover, he said, "today we cannot support the rapid deployment force during the initial stages of its operations" in a possible Gulf crisis, when casualties would be expected to be highest.

Moxley testified in support of a Pentagon plan to spend more than \$1.7 billion over the next five years, including \$260 million in the fiscal year starting Oct. 1, to open new hospitals and related facilities overseas. He said it would be the first major spending of its kind in a decade.

The Reagan administration is seeking now \$10 million converting the former passenger liner *SS United States* or another vessel into a 2,000-bed hospital ship by the end of 1984. The navy now has no hospital ships in its active fleet.

Moxley said a 1980 study showed that in Europe the army had 18 percent of its wartime requirement for operating rooms available for use, the air force 10 percent and the navy and Marines nothing except field hospitals unable to handle extensive surgery.

"The implication is straightforward: If a conventional war broke out in Europe today, at the height of battle fewer than one in 10 wounded U.S. servicemen would receive surgery for his wounds."

COMPUTERWORLD MAGAZINE REPORTED Desktop, Personal Computers Surveyed Vector Graphic Tops Micro Heavyweights

by Tim Scannell
CW Staff

DELRAN, N.J. — Vector Graphic Inc. microcomputers came out on top in a recent Datapro Research Corp. survey of desktop and personal computers, beating out three of the industry's 8-bit heavyweights. The California-based firm's machines scored better than those from Apple Computer, Inc., Commodore Business Machines, Inc., and Tandy Corp.'s Radio Shack in terms of user satisfaction. Vector Graphic's microcomputer-based systems also beat the IBM 5100 and Hewlett-Packard Co.'s 9800 systems, which were included in the multicategory survey. Besides winning the overall satisfaction trophy, Vector Graphic machines in the survey were also rated as being easier to use and more reliable in terms of the CPU and its related peripherals. Datapro's survey of desktop, personal and microcomputer systems is the third part of the research firm's extensive annual "User Ratings of Computer Systems." Other parts of the survey, excerpted in previous issues of *Computerworld*, include ratings on more than 2,200 mainframe systems and 2,804 minicomputers. This year marks the second time that Datapro has contacted users from its own and *Computerworld's* subscriber lists to find out how users employ the systems and what they think about their performance and promise. The 55-page report is available for \$25 from Datapro Research Corp., 1805 Underwood Blvd., Delran, N.J. 08075. "Extracted From *Computerworld* magazine dated May 18, 1981."



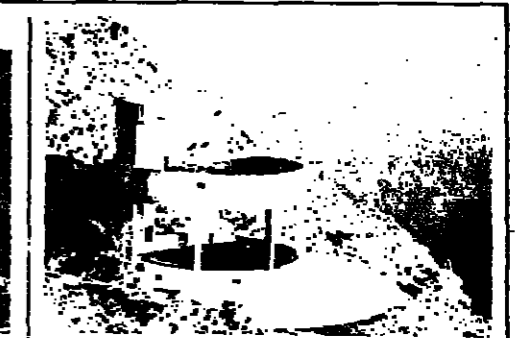


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 <p>COVER: Yanbu is progressing well according to the plan. With its sister city, Jubail in the East Coast they will make the two poles for development in the Kingdom. S.Sidham went to Yanbu As-Sinayah and filed his report on page 20. Related story on Mobil and heavy industries page 23.</p>	 <p>DEALERS IN MOTORS: The largest General Motors dealer in the world, Al-Jomah is one of the oldest trading families in the Kingdom. Kamal Ahmad Khuro talked to the general manager of the Jeddah branch of the company and found out the present and future plans of the firm.</p>	 <p>NEW HOTEL AT HILL RESORT: PIA Investment Ltd. plans to expand the network of hotels in Saudi Arabia. PIA has weathered the oil crisis, coming through with flying colors. Javid Hassan talked to the men at the helm and reports.</p>
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arab news

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Guatemala drifting to civil war

By Susan Morgan

GUATEMALA — Domingo Morales, the popular Christian Democrat mayor of the beautiful tourist town of Chichicastenango, was driving to work in his yellow Volkswagen last month, chatting to his aide, when suddenly a volley of machine-gun fire from a pickup truck alongside burst into the car, killing both men instantly.

The latest murder of a Christian Democrat leader clouds still further the already murky political atmosphere in Guatemala, considered a key element in the shaky and volatile politics of Central America. The country is due to elect a president next March. It is probably the most crucial election this strife-torn country has yet known. And it is taking place in unprecedented conditions of escalating right-wing violence which already claims 30 victims a day — a higher figure than in neighboring El Salvador — and with increasing left-wing guerrilla action.

Although the Christian Democrat Party immediately issued a condemnation of the double assassination, it knows it is impotent to protect its leaders and members from further right-wing attacks.

In the past year, according to one leader, over 100 Christian Democrat leaders and three times that number of rank and file members have been slain. Earlier this year, the secretary-general of the party, 38-year-old Vinicio Cerezo, managed to escape when his party headquarters in the city center was attacked at noon by 20 armed men who shot over 40 bullets into Cerezo's car: only four blocks away is the main police headquarters, but the police appeared to notice nothing amiss and did not stir. Later, two Christian Democrats who defended their leader were arrested and given three-year jail sentences for attacking the police.

In European terms, Christian Democrats may be considered center-right in the political spectrum. Here, although they pursue similarly centrist policies, they are an endangered species. Commented a ranking colonel to a Christian Democrat leader: "I consider you to be fledgling Marxist guerrillas." Said one political scientist here: "The problem with the military and the right-wing is that by deliberately destroying the political center and decimating the ranks of the educated elite — they are playing right into the hands of the hardline Marxist Left."

The Christian Democrats have still not decided whether to participate in next year's presidential elections. Although it is still early days, it is already certain that three Right to the Right parties will participate, including the "Broad Front" that put the current president, ex-Defense Minister Gen. Lucas, into power in 1978.

This time — once again — it is confidently expected to put the current minister of defense, 53-year-old Gen. Anibal Guevara, into power. In the past two weeks, he has emerged definitively as the military's candidate: and it is not in Guatemala's tradition for the army to lose elections.

Guevara, a former army intelligence chief, has already hired campaign staff and rented a campaign headquarters; he has been making trips to provincial capitals, accompanied by important military men; and recently he has appeared nightly on television — usually denying he will stand as a political candidate. Last month he was delivering land titles to over 400 landless peasants — a task the president might normally have been expected to carry out.

The army high command, in two key meetings held in the capital in the past few weeks endorsed Guevara's candidature. "The latest killing of Christian Democrats points to the local military also backing Guevara," said one disillusioned liberal politician. Guevara's selection will drastically reduce the possibilities of a peaceful solution to the problems of a country which is sliding rapidly to a civil war, confidently expected to be far worse than that of El Salvador. — (ONS)

Spain frustrates coup makers

By Bill Cemyra-Jones

MADRID — Spanish Defense Minister Alberto Oliart has ordered the prosecution of all members of the armed forces and the civil guard — irrespective of their rank — who were involved in the attempted coup last February. The order, which was widely seen as a sign that the government is determined to take firm measures against the ultra-right and not allow itself to be bullied by reactionary elements within the army, follows two ugly blows struck last month against the institutions of Spanish democracy.

The first was a scandal over what is called the "Almeria massacre," involving the deaths of three young men. The second was another frustrated coup probably intended to coincide with the king's name day later this month.

On May 8 Juan Mansas, Luis Montero, and Luis Cobos drove from Santander on the Biscay coast to Almeria on the Mediterranean to attend a family reunion. They made their journey just after the attempted assassination of Lt. Gen. Valenzuela and the deaths of three soldiers accompanying him in Madrid.

In an absurd case of mistaken identity they were picked up by Civil Guards in Roquetas de Mar, a seaside resort near Almeria, as suspected Basque terrorists. According to the Spanish press and the bereaved families, the Civil Guards "interrogated" the three in an abandoned barracks. They were then killed.

The first official version said they were being escorted to Madrid "and attempted to escape". In fact, according to witnesses, their guards jumped out of the car and opened fire, and the car burst into flames. The bodies of the three were incinerated. A group of fishermen who saw the burning car were ordered away by Civil Guards.

Chief of Civil Guards in Almeria, Lt. Col. Carlos Castillo, Lt. Manuel Gomez Torrez, and a Civil Guard driver have now been charged with manslaughter. It is possible that more Civil Guards may be charged.

Two weeks ago the extreme right-wing, with which Civil Guard officers are associated, planned another coup, albeit of a propaganda nature. The plan was to disturb the king's 1,000 guests on his official "Santo". The police, aware of such plots, acted promptly. Thirteen persons were arrested, including four army officers.

The "blue eminence" behind this fascist scheming to overthrow Spain's democracy is believed to be 69-year-old Jose Antonio Ciron de Velasco, a former Franco minister and head of the pro-Franco Civil War Veterans' League.



French foreign policy confounds superpowers

By Don Cook

PARIS — France under a Socialist president is about to reenter the NATO military structure or again place its forces in West Germany under NATO command. But it does appear to mean that there will be a great deal more cooperation from France. This is already being seen, not only in the public statement by Cheysson but also at NATO headquarters in Brussels.

Cheysson, in office barely two months is already giving promises of the most active, imaginative and important French foreign minister in a quarter of a century. Under De Gaulle, Georges Pompidou and Giscard d'Estaing, French foreign ministers were virtually confined to executing foreign policy, not defining it. They were predominantly technicians, and the shaping of foreign policy was kept exclusively in presidential hands.

Mitterrand and Cheysson have already shown that things are going to be different. The president will continue to be the supreme authority in foreign policy matters, but the minister of external relations — a new title being used by the new regime — will be the active formulator and guiding hand in the conduct of foreign affairs.

Cheysson, 61, has been in diplomatic or government service most of his career. He brings to the job seemingly inexhaustible energy and a forceful way of expressing himself — in French, English and German.

His career has touched most of the sensitive spots on the globe in the last 35 years. After having fought in a free French tank division in World War II, he graduated from the Ecole Nationale d'Administration, and then entered the French Diplomatic Service.

One of his first assignments was to a United Nations mission in Palestine in 1948. He was next in West Germany for three years, during a period that saw the birth of the Bonn republic and the opening of negotiations on the Schumann Plan, which was named for French Foreign Minister Robert Schumann, and was the forerunner of the European Common Market.

Next, he went to Indochina as a political adviser. He became cabinet chief to Premier Pierre Mendes-France in 1954 and played a key role in the Geneva negotiations that ended France's Indochina war. After that, Cheysson drew up the agreement under which France gave Tunisia its independence.

That does not mean, analysts made clear, that the foreign policy of France under its new Socialist government is going to be more clearly defined and more openly stated, more visibly pro-NATO and more actively in search of improved relations with the Third World. Therefore, diplomatic observers here said, it is expected to be a more positive foreign policy from the standpoint of the United States. But the French are still independent and prickly, as the inclusion of four Communists in the new cabinet demonstrates.

That development appears to have caused the Reagan administration to question what kind of ally France is going to be under President Francois Mitterrand. But if Washington is having trouble reading Paris these days, the Kremlin must be just as confused.

The French Communist Party has been forced to give up a succession of hard-line, pro-Moscow foreign policy positions in order to gain admission to the Socialist cabinet. As a consequence, the Soviet Union was last to applaud that development, even though it is the first time since 1947 that Communists have been admitted to a Western European government.

"In terms of the Atlantic Alliance, the United States cannot have a more reliable partner than France," the new minister of external relations, Claude Cheysson, has said. "It is the basis of French foreign policy. Clarity, which is so necessary in foreign policy, implies clarity in dealings with the Soviet Union."

Gone, then, are the days of former President Valery Giscard d'Estaing's hesitant and his leisurely response to the Soviet invasion of Afghanistan and his surprise meeting soon afterward in Warsaw with Leonid Brezhnev, the Soviet leader. Moreover, the French Communists, who endorsed the Afghan venture in 1980, are now part of a government demanding Soviet withdrawal.

Gone, also, it would appear, are the days when France's relationship with its allies in the North Atlantic Treaty Organization, involved endless diplomatic haggling. Charles de Gaulle instilled in France an anti-NATO virus that subsided only gradually under Giscard d'Estaing but seems now to have been eliminated.

He then served in the French Embassy in London for two years and from there he went to Africa to become the secretary general of an intergovernmental European technical assistance organization. He negotiated France's oil agreement with Algeria when Algeria won its independence in 1961.

He became a good friend of President Kennedy, whom he saw regularly in Washington to talk about African problems. He went to Jakarta as French ambassador for three years in the late 1960s, and then came back to Paris to run the nationalized French chemical industry for three years. He has spent the last seven years in Brussels as Common Market high-commissioner for relations with the Third World.

Cheysson has about him none of the anti-Americanism that has often poisoned Franco-American relations. Moreover, while the French, ever since de Gaulle, have sought repeatedly to demonstrate their independence by refusing to cooperate with allies in Europe, in NATO, in the United Nations and elsewhere, Cheysson's career has been based on forging cooperation and understanding.

That shows in his attitude toward NATO, toward France's role in the Common Market, and in preparations for the North-South conference that will be held in Mexico in October.

However, observers here say, Cheysson will be open and candid in defining Franco-American relations, and he will not hesitate to speak out when he thinks the United States is making mistakes. He has already shown this in connection with El Salvador. "I cannot understand why the greatest country in the world should have made a test case of El Salvador in which Western Europe was expected to bow to U.S. policy and opinion," he has said.

He also thinks that the Reagan administration "takes a short-sighted view of the Third World as a problem of charity and respect for the starving," instead of recognizing its importance in long-range strategic terms, both politically and economically.

The fact that there are Communists in the French government is expected to have no effect at all on French foreign policy. If anything, the way Mitterrand has brought the Communists into his government — on his terms — can be expected to strengthen Cheysson's hand in taking a hardline with the Soviet Union. — (LAT)

THE SPRINGBOOKS

The State Department said yesterday that it was actively considering granting visas to the South African rugby team, the Springbooks, to play in the U.S. although it has been boycotted by many African and other countries because of South Africa's apartheid policies.

Even public opinion in New Zealand, which has had many sporting links with South Africa is having second thoughts about the visit of the Springbooks although in the end the team will probably go to Wellington to renew them.

There have been varying views about official attitudes to sports teams and whether they should be insulated from politics and international disputes. A lot of opinion is tilting toward the view that sportsmen and athletes should not be subjected to the punishment which really belongs to the regimes back home. It says that sports and sportsmanship belong to mankind and should be given free rein to enrich and entertain it.

The other opinion differs. It calls for punishing everybody belonging to a brutal regime like that in South Africa and says that none of the South African athletes abroad has so far dared to denounce the failings of the regime or the inhuman nature of apartheid.

But the situation here is quite different. South Africa does not treat its citizens as equal in law, in the bus, in the stadium, in the school and even in the hospital mortuary. Black and white South Africans are given different medical treatment, with the whites getting the more superior one, and buried differently with the whites winning a more ceremonial kind of death.

In such cases, the argument of those who uphold the insulation of sports and athletes from the ill effects of apartheid does not hold much water for the South African government ought to be reminded constantly that its policies are wrong and cruel. The athletes who belong to the people many of whom detest apartheid, may suffer by proxy, so that some day they may gather enough courage and, together with others, bring pressure to bear on the regime to change its attitudes to the majority of the people in the country.

Saudi Arabian press review

Friday's two newspapers *Okaz* and *Al-Jazirah* led with the forthcoming meeting of Saudi Ambassadors in Arab countries scheduled to be held on Saturday headed by Foreign Minister Prince Saud Al Faisal. A front-page coverage was also given to the rejection of PLO and the Arab states' representatives in the U.N. of a secret U.S. proposal for a settlement to the Mideast problem.

Commenting on the \$594 million agreement for the construction of a 25-km causeway linking the Kingdom's mainland with Bahrain, *Al-Jazirah* hailed the accord and noted that such a venture comes as one of the most shining stages in the region's contemporary history in which the Gulf Cooperation Council (GCC) has come as a response to the deep-rooted brotherhood existing in the region since the dawn of the human history.

Discussing the benefits of the venture which is considered one of the most major and vital projects in the Middle East, the paper said the causeway will enable Bahrain to open up on Kuwait and the United Arab Emirates and at the same time will make Bahrain accessible to the GCC member states.

"The project will play a vital part in ensuring security and stability in the Gulf area and will push the wheels of development and progress in the region toward a wider sphere of welfare, prosperity and progress," *Al-Jazirah* added.

Okaz editorial dealt with the invitation to the private sector to invest in industrial and agricultural projects in the Northern Region. The call was made by Prince Abdul Mujeed, governor of Tabuk, who said that the region was excellent for investments and tourism.

The paper hailed the announcement by the prince that he wants to encourage those seeking to invest in various projects including agriculture, hotels, industries and animal husbandry.

"This move is in keeping with the policies of the government and the incentives given to the investors by King Khalid and Crown Prince Fahd in every possible way. The incentives take the form of exemption from import duties for machinery, interest-free loans to industrialists and those wishing to invest in agriculture, hotels, hospitals and the like," the paper wrote.

'Fake boat people' flee China

By Brian Eads

HONG KONG — Successes in the resettlement of seaborne refugees from Vietnam have excited a new phenomenon in Southeast Asia: would-be refugees known as "the fake boat people." Since mid-May, 4,500 have navigated their flimsy craft into Hong Kong, and another 7,000 have arrived at the Portuguese-administered enclave of Macao on the other side of the Pearl River estuary.

They are Hoa people, ethnic Chinese who left Vietnam in droves in 1978 amid allegations of a systematic campaign of discrimination. Some 260,000 were "resettled" on state farms in four Chinese provinces. Those arriving here complain of "boredom" and "restrictions" down on the farm. They would much prefer, they say, to be resettled in the West.

May and June are the months when wind and weather favor those seeking to leave Vietnam by boat, and the Hoa hoped to pass themselves off as genuine refugees in the general confusion. They cut the labels from Chinese clothes, invent harrowing tales of a voyage across the South China Sea, and complain of the economic hardship in Vietnam.

Neither Hong Kong nor Macao has been fooled. Their boats are generally too small and unseaworthy to have made the journey, the people are fatter and healthier than Vietnamese arrivals, and their stories are thin and implausible.

China is embarrassed by the exodus, not least because bribery and official collusion with the Hoa have made possible their journey to coastal towns and the purchase of boats. At the same time there is annoyance at their "ungratefulness."

The U.N. High Commission for Refugees considers their primary resettlement in China "exhausted their right to further asylum," so all will be returned to China. Hong Kong and Macao have received assurance from provincial Chinese officials that they take full responsibility. At the same time, an orthodox "escape route" has been set up in China for those who want to emigrate. A new UNHCR office in Peking will process the orderly departure of those who wish to leave, have strong family links with Western countries, and can find someone to accept them.

Who will accept "boat people" is now regarded as the major headache among countries still playing host to them. Only the United States and France have approved new quotas, and the general attitude

is that the problem has been solved. But people are still leaving Vietnam: a total of 40,000 in the first five months of this year. In countries like Malaysia, the rate of new arrivals has again overtaken the rate of resettlement.

"There is no indication that Vietnam is again seeking to export people," said Raymond Hall of the UNHCR. "But there has been a slight upsurge, and attitudes in the host countries have changed."

There is no doubt that the vast majority of new arrivals are economic refugees in search of a better future for themselves and their families. Picture postcards from relatives, friends or acquaintances in the West underline the austerity of life in postwar Vietnam. Without massive foreign aid there is no prospect of change.

But regional governments, refugee agencies and Western countries are faced with a tricky balancing act. As long as there is the prospect of resettlement, people keep coming. If there is no prospect of resettlement, the more callous nations might again begin driving them out to sea.

"The fake boat people" should be a temporary phenomenon but they have posed the question of how to meet the refugee problem without conspiring in its perpetuation. — (ONS)



FAST AND PRESENT: Modern Germany and East and West Berlin in particular are divided between the old and new. Above a crumbling building exists beside a modern skyscraper.



GOVERNMENT QUARTER: A view of the Rhine is on the left and the Siebenberg hills in the background.

Videotape battle is brewing over a billion dollar market

By Stan Stovall

LONDON (R) — The world's appetite for video tape recorders (VTRs) is accelerating and the electronics giants are rushing to cash in on sales bonanza. In 1977 less than a million households bought VTRs to watch taped films or recordings from their television sets. According to industry statistics by 1984 about 16 million VTR units are expected to be in use, bringing in \$11 billion to their manufacturers, roughly what television set sales are worth today.

A battle to gain the strongest possible foothold in this young but booming market has already begun, pitting the electronics industry of Japan against those of western Europe and the United States.

Japan's Sony Corporation and the Matsushita subsidiary, Japanese Victor Company (JVC), already have a commanding lead and are expected to take about 95 percent of the estimated seven million VTRs to be sold in the world this year.

But the Dutch electronics firm Philips, which marketed the first VTR in 1972, is mounting a counter. Marketing program where it hopes to establish a platform from which to seek markets elsewhere.

Philips, which is collaborating with the West German Grundig firm, aims to increase its share of the west European market from

around 200,000 sets or 10 percent at present to 50 percent in the future.

The company estimates that total sales of VTRs in West Europe will double to more than two million sets by 1985 and is building a new factory in Vienna which should raise its production to around 300,000 by the end of a year and to one million in four years' time.

Philips is confident that it can claim back some of the market share from the two Japanese companies because of the refinements offered by its Video 2000 System.

The company says it has developed a technique for playing back tape with pin-point accuracy, whereas other systems can suffer from poorer picture quality.

Philips also says its tapes can be used on both sides like an audio tape. "The Japanese are using one-sided systems of the seventies a company spokesman said. Leaving arguments over performance aside, there is no doubt that West Europe, with 11 million households against Japan's 35 million and 80 million in the U.S., is an enormous market. In Britain alone sales of VTRs have grown so quickly in the past few months that shortages are hitting sales, according to spokesmen for the companies which rent them.

Industry spokesmen believe 750,000 sets will be sold this year but estimate that the figure could have climbed to one million if there had not been shortages.

One factor fueling demand is the marriage this month of Lady Diana Spencer and Prince Charles, which millions will watch on television — and hundreds of thousands will record.

One rental company says it has switched from buying sets from Japan to flying them to Britain from the U.S. in chartered jets to keep pace with demand.

Demand in other west European countries is also growing, without the help of any royal wedding. For example in West Germany last year VTR sales doubled to around 350,000 and are expected to reach 600,000 in 1982, according to a home entertainment industry spokesman.

Japanese manufacturers have acted quickly to meet rising demand. The Japanese Electronics Industries Association says that VTR exports in May more than doubled in comparison with May 1980.

Last year VTR sales in the U.S. jumped 69 percent and are expected to reach 1.5 million this year. The U.S. RCA Company has responded for the video boom by developing a machine which reproduces pictures and sound on a television from records — the Videodisc System. Videodisc systems — there are now three versions on the market — are cheaper than VTRs. The discs they play cost less than VTR tapes but they cannot record.

New material transports gas

By a Science Correspondent

LONDON (LPS) — As the demand for liquefied natural gas has been increasing, so, too, has the need for a container to transport it. Now, scientists have come up with a new material for producing the containers.

Liquefied natural gas requires a very low temperature for storage and transport. Most forms of steel used for containers become brittle and crack under such conditions. While stainless steel does not crack, it has inferior structural properties and contains imported, expensive nickel.

Scientists at the University of California's Lawrence Berkeley Laboratory have developed a steel alloy in which boron replacing the nickel. The new material can withstand extremely low temperatures without cracking.

In addition to liquefied natural gas, the scientists expect the container to be used for transporting other materials which require low storage temperatures, such as liquid oxygen, nitrogen and helium.

East, West Berlin remain divided; each maintains its own identity

By Peter Miller

WEST BERLIN, (R) — Just over 18 years ago John Kennedy stood in West Berlin's city Hall Square and uttered the now famous words "Ich bin ein Berliner" as a gesture of defiance to those who had divided the ruins of one of Europe's finest capitals. In those last days of June 1963, for most of the world, East and West and Berliners themselves, there was only one Berlin — albeit divided by a wall of concrete and barbed wire.

Now, as the 20th anniversary of the building of the wall approaches this summer, the world, like it or not, has effectively two Berlins. After 20 years of reconstruction and separation of the two sections of old Berlin have grown apart.

Meanwhile, Germans on both sides of the wall have come to regard themselves as the real Berlin. Maps bought in the East show only "Berlin — capital of the German Democratic Republic," with West Berlin, written as one word, shown as a blank area on the city's edge.

Maps bought in the West show the entire pre-1945 administrative area, marked clearly "Berlin (West)" and Berlin (East)", but tourist itineraries and postcards refer only to Berlin with pictures of the West, and Berlin-East tacked on as an added excursion.

The obvious differences stand out. The west has neon lights and a street cafes reminiscent of the Champs Elysees, and huge department stores filled with the wealth of capitalism.

It has bustling traffic, a cosmopolitan population, hordes of tourists, and the more eccentric fringe of West German youth, many avoiding the draft by attending university in this city controlled by the four wartime allied victors — United States, Soviet Union, Britain and France.

Combined with squatters, riots, and political squabbles, they make West Berlin an isolated laboratory of often unstable elements. But in the past two decades many major enterprises have moved to West Germany taking much of the middle-aged middle class with them, and there is open concern in the city government that West Berlin's population could dwindle from its present two million, leaving behind only Turks, students, pensioners and allied soldiers.

Meanwhile, despite an increase in prosperity, East Berlin's population of just over one million still has to cope with queues and shortages, sparsely stocked shelves and 10-year waiting lists for new cars.

But East Berlin's vast squares and wide streets are already enjoying the western luxury of pollution and traffic congestion, even if the shapes of Wartburgs, Moskviches and Trabants are unfamiliar to the Western eye

used to Volkswagens, Mercedes and Renaults. To the few — mostly diplomats, journalists and some well-known East German writers — allowed to cross the border freely, Berlin poses paradoxes and can cause confusion.

Anyone using public transport must keep three sets of tickets: one for the East Berlin Transport System, another for the Western U-Bahn (underground railway) and a third for the S-Bahn (overground railway).

Meanwhile, Berliners on both sides of the

wall maintain that for better or worse, the other side has changed least. The East holds that the West is decadent with former Nazis still in high places, while the West maintains East Berliners have simply slid from one totalitarian regime to another.

West Berliners say they have kept the spirit of the old Berlin, but they cannot deny that the East has kept its body. Until barely 50 years ago almost all of what is now West Berlin was considered part of the city's outer suburbs.

India's ruthless dacoits slowly being eliminated

By Ajoy Bose

NEW DELHI (G) — In the past six months, the dacoit-infested ravines of the Chambal River in northern India have become a giant battle-field as thousands of policemen remain locked in a ruthless war with marauding bands of dacoits who have caused widespread terror in the surrounding villages. Nearly 651 policemen have been killed in more than 1,000 bloody clashes since the beginning of the year in what is probably the largest over anti-dacoity operation in the country.

Nearly 10,000 extra policemen have been recruited by the governments of the three affected north Indian states — Uttar Pradesh, Rajasthan and Madhya Pradesh — which have set up a joint command and combined their resources in this campaign to combat crime.

Armed with sophisticated weapons and wireless transmitters, the police forces have also been provided with helicopters to pinpoint dacoit hideouts in the ravines. The anti-dacoit operations were stepped up after a series of raids and massacres by dacoits at the beginning of the year, particularly the cold-blooded killing of 22 villagers in Behmai Village in Uttar Pradesh by the notorious woman dacoit leader Phoolan Devi.

The ruthless police campaign to eliminate dacoits, however, has failed to deter the bandits who continue to loot villages, buses and trains.

"We are killing on an average five dacoits a day, but they keep on coming," said a police official involved in the anti-dacoity war.

At the beginning of this month, armed dacoits raided a village in Etah District of Uttar Pradesh to search for police informers. When the villagers refused to help

them, the bandits lined up the entire male population of the village against a wall and opened fire. Twenty four villagers, including an old woman who went to beg for the life of her son, were killed in the carnage reminiscent of the Behmai massacre earlier in the year.

A few days before this, a dacoit gang ambushed a police party in Mainpuri District in Uttar Pradesh, killing seven policemen including an officer.

While the police have succeeded in liquidating some of the 50-odd gangs operating in the Chambal ravines, they have yet to eliminate the biggest dacoit leader of the area — Malkhan Singh who carries a reward of \$ 8,750 on his head.

They have also not been able to find Phoolan Devi, who after lying low for a few months after the Behmai massacre, is reported to be active again. The woman dacoit, who carries a reward of \$1,250 on her head, sent a message to an Uttar Pradesh legislator recently, threatening to kill him if he did not give her gang \$6,250.

One of the major reasons for the survival of dacoit gangs is the support they receive from sections of the local populace who provide them with food, shelter and information about police movements.

Organized on caste lines, dacoit gangs get help not only from villagers, but also from policemen belonging to their caste and senior police officials are worried that the present battle may soon assume the proportions of a caste war.

Last month, the governments of Uttar Pradesh and Madhya Pradesh passed an anti-dacoity ordinance under which all those who shelter or aid dacoits will be liable to punishment. Punitive fines have also been imposed on villages which have harbored dacoits.

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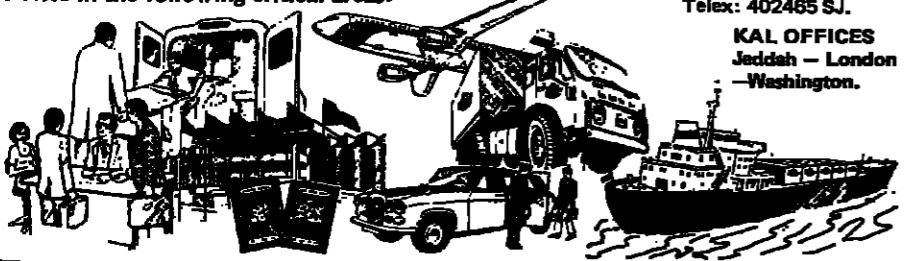
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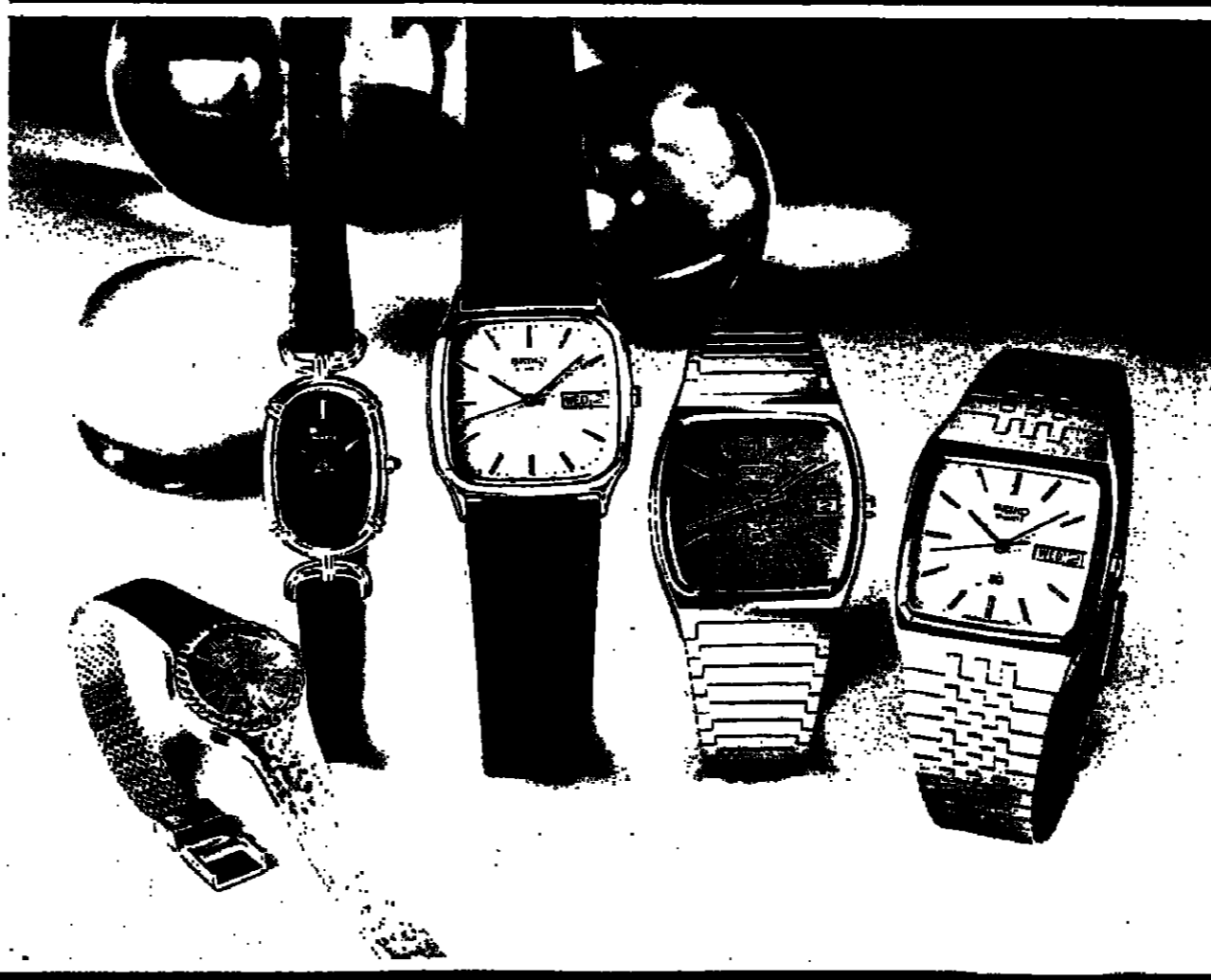
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Kiwis set to invite S. Africa

WELLINGTON, July 10 (R) — The New Zealand Rugby Football Union decided Friday to go ahead with arrangements with the controversial South African tour of this country despite widespread opposition.

The union council met to consider a parliamentary resolution asking it to reconsider its invitation to South Africa and heard a last-minute appeal from the mayor of Auckland but concluded: "We do not believe that sporting boycotts should be used for political purposes."

The Council said in a statement: "We should not be expected to make assessments and judgments on matters such as international relations and international trade as we have neither the knowledge nor experience to do so." Prime Minister Robert Muldoon, whose government opposes the tour, said he was disappointed with council's decision but accepted its responsibility in the matter.

In London, officials from Commonwealth countries met to discuss changing the venue of the Commonwealth Finance Ministers' meeting scheduled to be held from Sept. 21-23 in Auckland in retaliation. Commonwealth Secretary-General Sridath Rampal called the rugby administrators' decision "dangerous and irresponsible."

New Zealand's labor opposition leader Bill Rowling said he accepted the sporting body's argument that its job was not to make political decisions. But he criticized the prime minister for not calling off the tour.

The South Africans are due to arrive on July 19 for a 16-match tour. Widespread demonstrations are expected. It will be the first South African tour of New Zealand since 1965 and the first official rugby contact between the two countries since 1976 when the New Zealand national side went to South Africa and prompted walkout by Third World nations from the Montreal Olympic Games.

Mr. Rowling said: "I appeal to all New Zealanders ... to exercise tremendous restraint and discipline through what will be one of our most difficult periods for decades."



GOT IT: Hungarian Zoltan Szabaly and Alexander Moshayev of the Soviet Union in action during the men's individual epee final in the World Fencing Championships in Clermont-Ferrand, France Friday. The Hungarian beat the Russian for the gold. Elmar Borrman of West Germany claimed the bronze.

Leonard's defiance irks WBA

PANAMA CITY, Panama, July 10 (AP) — World Boxing Association president Rodrigo Sanchez said Thursday the WBA was not consulted about the Sept. 16 title fight in Las Vegas between Sugar Ray Leonard and Tommy Hearns, and is now studying possible legal steps.

"We will consult our attorneys on the matter of Hearns and Leonard and about the sanctions that can be applied against them in this case," said Sanchez.

Leonard is the World Boxing Council welterweight champion while Hearns is the WBA titleholder. Last month Leonard whipped Ayub Kalule, to take the WBA junior middleweight crown.

That touched off a furor in the WBC, which asked Leonard to surrender one of the titles. He has not done so.

Meanwhile, in Orleans, Ernie Barr said, "it was my back, and not heavyweight Jerry Celestine that stopped me with a minute left in the third round of the light heavyweight bout."

Barr, heavyweight and light heavyweight champion of the Bahamas, broke from a clinch with Celestine and grabbed for his back. Celestine seized the opportunity to bull Barr into a corner and hammer him at will.

"I couldn't go up or couldn't go down," Barr said after the fight. "I was locked in position in the corner by my back. 'Couldn't talk to the referee while Celestine was beating on me. Couldn't quit. Could only lean on the ropes and take it."

When Barr failed to defend himself, fans bombarded the ring with debris. Referee Lucien Joubert stepped in and stopped the fight.

Barr looked like a clear winner of the first two rounds in the battle between overweight lightweights. Celestine is now 23-5, while Barr dropped to 22-7.

Barr's manager, Mike Dundee, said he felt Joubert could have halted the fight long enough to ask Barr what was wrong. "But that's the way it goes," he said. "I'm not blaming anyone. I think Ernie must have had a muscle pull or a back spasm."

Bernard Hinault improves position

HASSELT, Belgium, July 10 (R) — World champion Bernard Hinault of France added a few precious seconds to his lead in the Tour de France Cycle Race Thursday.

Belgians filled six of the top ten places on the 157km 15th stage from Beringen to Hasselt while master tactician Hinault increased his overall advantage from 41 to 57 seconds.

Both Hinault and closest challenger Phil Anderson of Australia were involved in the tussle sprint to the line at Hasselt. Positions mattered little as twice winner Hinault came 28th, just behind Anderson.

Sprint specialist Freddy Maertens and fellow Belgian Eddy Plankert followed up their stage triumphs by finishing first and second respectively.

Hinault could well increase his advantage again Friday when the riders fly from Belgium to eastern France for an individual 38.5km time trial at Mulhouse. In events against the clock, the Frenchman is virtually unbeatable.

In Zurich, Max Hueymovr of Switzerland set a new amateur track cycling world record Thursday night when he covered 50kms in 38:31.47 — an average speed of 77.8 kms per hour (48.5 miles per hour). His time was two minutes faster than the previous best set by Vladimir Gubenkov of the Soviet Union in October 1979 at Tbilisi.

BRIEFS

NEW YORK, (AFP) — Panamanian jockey Jorge Velasquez continued his remarkable winning run this year by becoming the first man to ride six out of six winners at a New York meeting Thursday. The 34-year-old Velasquez, riding at the city's Belmont Park, could have made it seven, but one of his rides was pulled out of the race before the start.

NEW YORK, (AP) — The Soviet Union withdrew its team from the Trans-Atlantic Challenge Cup Soccer competition Thursday because the Cosmos would not drop a South African player from their lineup, the north American Soccer League said. The NASL replaced the Soviet team, called Donetak Shakhlyor, with Scotland's Glasgow Celtic.

LONDON, (R) — Liverpool are willing to play the so-called World Club Soccer Championship in Tokyo in December but the English League may not let them postpone a league fixture in order to make the journey. A league spokesman said "postponement of a league match so a club could take part in a voluntary-entry competition could cause disruption of the league program."

STOCKHOLM, (AFP) — Soviet ice hockey star Vladimir Petrov could end up in prison if he arrives with his national side for a friendly international against Sweden next month, the Swedish Press reported Friday. According to some daily newspapers Petrov was stopped by the police as he drove home from a dinner to celebrate the Soviet Union's gold medal win at the World Championships in Gotherburg two months ago. He was given a blood test and the results, which were made public only this week, show that he had taken too much to drink.

SYDNEY, (AFP) — Lock forward Alain Lorieux has been forced to pull out of the French side for Saturday's second-Rugby Union Test match against Australia because of a dislocated shoulder. He will be replaced by Laurent Rodriguez, who was originally down to play No. 8.

Davis Cup round-up Britain stages fine rally

AUCKLAND, New Zealand, July 10 (AP) — Twice Britain fought back from near defeat to win the first two singles matches of the Davis Cup competition with New Zealand at the Pioneer Stadium in Christchurch Friday. Both matches were marathon five-setters.

Left-hander Richard Lewis beat Russell Simpson, 4-6, 4-6, 6-3, 6-4, 7-5. Then, in a dramatic match which ended in a dispute over a ball smashed out, Buster Mottram defeated New Zealand's No. 1 Chris Lewis, 4-6, 6-4, 4-6, 9-7, 6-3.

After winning the first two sets, Simpson appeared to have a mortgage on his match but as he began to tire he began to make errors. Richard Lewis considered this to be his best performance in Cup tennis.

In the second match, Chris Lewis started magnificently, showing great speed about the court and making Mottram look pedestrian. But in the fourth and fifth sets he began to

make too many errors, particularly on his backhand return of Mottram's sliced service.

In New York, John McEnroe and Jimmy Connors, two of the top three tennis players in the world, make the United States a heavy favorite when they take on defending champion Czechoslovakia in the quarterfinal round at the National Tennis Center here Friday.

"The United States is the favorite because they have the two top players," said Antonin Bolardit, the nonplaying captain of the Czechoslovakian Davis Cup team. "We have no chance in the match."

McEnroe, who will begin the U.S. bid for victory when he meets Ivan Lendl, Czechoslovakia's top player who is ranked fourth in the world, in the opening singles match Friday, agreed with Bolardit.

Meanwhile, Paul McNamee and Per Hjertqvist will play the opening singles match here Friday as heavily favored Australia meets Sweden.

Kriek romps into last four

NEWPORT, Rhode Island, July 10 (AP) — Second-seeded Johan Kriek advanced to the semifinals of the Miller Hall of Fame Tennis Championships Thursday with a 6-1, 6-3 victory over Jim Delaney.

In another quarterfinal match, Erik Van Dillen of Burlingham, California, defeated Tim Wilkison of Shelby, North Carolina, 6-4, 7-6. Van Dillen won the second set tiebreaker, 7-3, to move into a semifinal match against Kriek on Saturday.

Kriek, 23, a South African who resides in Naples, Florida, dominated his 28-year-old opponent from Dallas with a strong serve and crisp volley.

Kriek broke Delaney at 15 in the fourth game of the first set. He drilled a service return for a winner and broke again in the

sixth game for a 5-1 lead. Delaney had two break points in the seventh game, but could not capitalize on them.

The players labored Thursday in the 100-plus degree temperatures and high humidity on the grass court of the Newport Casino. Kriek, the only seeded player left in the tournament, gained the advantage with a service winner and won the game and set when Delaney hit a forehand long. A quarterfinalist at Wimbledon, Kriek gained the upper hand immediately in the second set. He broke Delaney at 15 in the first game and broke again at 15 in the ninth and last game.

In a second-round match, Anand Amritraj of India, who upset No. 1 seed Brian Teacher on Wednesday, advanced to the quarterfinals with a 6-3, 6-2 win over Beejong Sison of the Philippines.

ANNOUNCEMENT

INTERNATIONAL SYMPOSIUM ON IONIZING RADIATIONS TO BE HELD IN RIYADH

AN INTERNATIONAL SYMPOSIUM, "APPLICATIONS AND TECHNOLOGY OF IONIZING RADIATIONS" WILL BE HELD MARCH 12 - 17, 1982 AT THE UNIVERSITY OF RIYADH IN MALAZ CAMPUS, IN RIYADH, SAUDI ARABIA. SPONSORED BY THE COLLEGE OF SCIENCE OF THE UNIVERSITY OF RIYADH, THIS SYMPOSIUM IS IN COLLABORATION WITH THE KING FAISAL SPECIALIST HOSPITAL AND RESEARCH CENTRE.

THE SYMPOSIUM WILL REVIEW CURRENT RESEARCH AND DEVELOPMENTS ON THE APPLICATIONS AND TECHNOLOGY OF IONIZING RADIATIONS. THERE WILL BE TWO SESSIONS ON EACH MEETING DAY. LECTURES WILL BE DELIVERED IN EACH SESSION BY SCIENTISTS PROMINENT IN THE FIELD OF IONIZING RADIATION. IN ADDITION, CONTRIBUTED PAPERS WILL BE PRESENTED IN EACH SESSION COVERING THE FOLLOWING TOPICS: RADIATION PROTECTION; RADIATION CHEMISTRY; RADIOISOTOPE PRODUCTION; GAMMA IRRADIATION; DOSIMETRY; AND MEDICAL, INDUSTRIAL AND AGRICULTURAL APPLICATIONS OF IONIZING RADIATION.

PAPER ON ABOVE TOPICS AND SCIENTIFIC EXHIBITS ARE INVITED FOR PRESENTATIONS DURING THE SYMPOSIUM. PROFFERED PAPERS MUST BE RECEIVED NO LATER THAN SEPTEMBER 15, 1981.

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Milwaukee Open sans stars

Dave Stockton shows glimpses of old form

MILWAUKEE, July 10 (AP) — Dave Stockton, winner of 11 tournaments and \$1.1 million in his 18 professional golf seasons, showed signs Thursday of shaking a puzzling slump.

The 39-year-old Californian solved one of his favorite courses, Tuckaway Country Club, for a 7-under-par 65 and a 1-shot lead over rookie Rod Nuckolls in the first round of the \$250,000 Greater Milwaukee Open.

Nuckolls, who has not made the cut or qualified in his last four starts, sank five birdie putts of 25 feet or longer for a 6-under 66. Long-hitting Bobby Wadkins, bidding for his first victory in seven seasons, and rookie Thomas Gray were tied for third at 67, 5-under.

Among those in a logjam for fourth place were Chi Chi Rodriguez and former Masters champion George Archer. Also at 68 were Lyn Lott, Mike Smith, Skeeter Heath, David Sana, Bob Gilder, Rod Curl, John Fought, Tim Simpson and Jay Haas.

This tournament, already shy of the game's glamour names, lost another one after the first round. Bobby Clappett was disqualified for not signing his scorecard.

Clappett, 25th on the current money list with more than \$92,000 was upset over his disqualification. He had an opening 1-under-par 71. "It was a little thing, a small mistake," he said. "To be punished that severely is too harsh."

Stockton, after shooting 42 over the last nine holes in this year's Masters has missed the cut in six straight tournaments. "I've really been depressed the late," said the 1976 PGA titleholder, a two-time winner of this event. "My putting's the worst it's ever been."

But Thursday, Stockton made an abrupt turnaround. He wedged in from 60 feet for a birdie on the 11th hole. He 1-putted seven

times. He needed just 26 strokes on these huge, soft greens.

All of that short-game expertise did not convince Stockton his putting woes are history. "I didn't putt well today," he insisted. "I just got the ball close to the hole. I did not putt as well as I can."

Only one of this year's top 20 money-winners, No. 16 Lon Hinkle, is battling for the first prize of \$45,000. He matched par 72 in the first round and faced the possibility of missing the 36-hole cut.

Defending champion Bill Kratzert, never higher than 67 last year in posting a tournament record total of 22-under-par 266, settled for a 72 this time.

The other former GMO winners in this field of 156 professionals were not in solid contention. Closest with 3-under 69s were Calvin Peete, the champion two years ago, and 1972 victor Jim Colbert.

Meanwhile, veteran Debbie Austin, winless since 1978, carded a 4-under par 68 to take a one stroke lead over Marlene Floyd and Judy Rankin after Thursday's opening round of the \$150,000 Ladies Professional Golf Association Mayflower Classic.

Austin, 21st on this year's money list, had four birdies on the back nine at the 6,101-yard, par 72 Country Club of Indianapolis. That followed a front nine that included three birdies and a pair of bogeys.

Floyd, winless since joining the tour in 1976, used 26 putts to score nines of 34 and 35. Rankin, who won the tournament the first time it was held in 1977, started quickly with a 4-under 32 on the front nine, but finished with eight pars and a bogey on the back nine.

Sharon Barrett, a 19-year-old Spring Valley, California, resident who is the youngest player on the tour, and 20-year-old Lynn Stroney of Girard, Ohio, were tied at 70 with veterans Barbara Barrow and Vicki Tabor.

Aaron leads in Asian Chess

MADRAS, India July 10 (AP) — Indian national champion Manuel Aaron grabbed the lead Thursday in the Asian Masters Chess Circuit Tournament here when he defeated countryman Raja Ravishankar in a sixth round play.

Aaron, who is leading with 3.5 points, is followed by Indians Nasir Ali and Pravin Thipsay with three points each. Ali was beaten by Indonesian champion Edhi Hondoko while Thipsay lost to T.N. Parameswaran (India).

In other games, international master Reuben Rodriguez of the Philippines defeated Chia Chee Seong of Singapore and Chris Hon (Malaysia) beat India's D.V. Prasad.

Filipino grandmaster Rosendo Balanis Jr., playing his first match of the tournament, also defeated Prasad.

Meanwhile, fifteen Asian countries will participate in the first Asia Squash Championships to be held in Karachi, Pakistan Aug. 29-Sept. 10. Hasan Musa, secretary of the Asian Squash Racket Federation, said Thursday.

The teams are from Pakistan, Bangladesh, India, Japan, Jordan, Kuwait, Lebanon, Malaysia, Nepal, Singapore, Sri Lanka, Thailand, Dubai, the Philippines and Bahrain, he said.

The winner will be awarded \$1,000 the runner-up \$700.

Mediator acts Baseball accord hopes soar

NEW YORK, July 10 (AP) — The contents of mysterious envelopes delivered to representatives of club owners and players could hold the key to settlement of the baseball strike that entered its fifth week Friday.

Before a meeting of many of the owners in New York Thursday night, federal mediator Ken Moffett delivered large envelopes to the adversaries' chief negotiators, Marvin Miller and management's Ray Grebey. Moffett also arranged the negotiators' first bargaining session in six days for Friday afternoon. The New York Times said the envelopes contained a proposal designed to lead to an end of the strike.

Both sides in the strike have claimed a united front after meeting among themselves this week. Player representatives met in New York on Tuesday.

Ed Fitzgerald of the Milwaukee Brewers,

chairman of management's Player Relations Committee, said after Thursday night's meeting that the owners had engaged in "a full discussion" and said recent reports of splits among them are untrue.

"There was quite a spirit of unanimity by all the owners," said Eddie Chiles, owner of the Texas Rangers, reputed to be one of the dissenting owners. Meanwhile, hearings before a National Labor Relations Board administrative law judge were expected to conclude Friday.

Five witnesses were called during the fourth day of testimony before Judge Melvin Welles involving the major league players' association's charge of unfair bargaining by the owners.

The union, on strike since June 12, wants Welles to order the owners to open the club's financial records.

U.S. reviews granting visas to Springboks

WASHINGTON, July 10 (AP) — The state department said Thursday that it is giving "active consideration" to admitting the South African national rugby team, the Springboks, the subject of sports boycotts by African countries because of their government's race policies.

The Springboks want to play in the United States just about the time that many African leaders will be assembled in New York for the meeting of the U.N. General Assembly. Some of them are expected in any case to denounce what they see as a tilt by the Reagan administration in favor of the South African government.

In a formal statement, the department said it had not yet decided whether or not to grant the visas. One consideration — not mentioned in the statement — is the possibility that letting the Springboks play in the United States might lead some African countries to boycott the Los Angeles Olympics in 1984.

Also in the background is the concern of some African governments because of the American visas given earlier this year to high South African military officers.

The Springboks have a long tour scheduled this summer in New Zealand. The New Zealand national team is called the All-Blacks. The name has no racial significance there — it refers to the color of the team's uniforms.

The Springboks are planning to take the long way around to New Zealand through the United States. There might be political difficulties if they took the more usual route through Australia. On the way home, they have been invited to play three games in the United States.

"You people here don't play much rugby," said one New Zealander, who asked not to be quoted. "But with us it's more like a religion than a sport." A South African said American rugby is in the process of passing "from the completely non-existent to the just negligible."

Meanwhile Tanzanian government newspaper the Daily News has warned the New Zealand government that if the South African Springboks Rugby Union Tour goes ahead, it "must accept the consequences of both domestic and international opposition to Wellington's sporting links with apartheid."

In Sweden meet U.S. athletes sparkle

KARLSKRONAGH, Sweden, July 10 (AP) — Richie Harris and Tom Smith gave the U.S. a double victory in the 1,500 meters at an Invitational Track and Field meet here Thursday night.

Harris was timed in 3 minutes and 38.9 seconds. Smith clocked 3:39.2. Suleiman Nyambui, a Tanzanian who runs for Texas-El Paso, was third in 3:40.5. Filbert Bayi, another Tanzanian star, ran fifth in 3:41.9. Brian Russell of the U.S. was eighth in 3:42.6.

Mark Lich of the U.S. won the 800 meter, in 1:47.64. Greg Veitch captured the 110 hurdles in 14.12 seconds and Lee Bollinger took the women's 800 meters in 2:07.30.

Kip Rono won the 5,000 meters in 13:56.4. Amos Korir made it a Kenyan double in 13:56.9. Japan's Yasunori Hamada was third in 14:03.0.

Meanwhile, much of the world will be watching the U.S. and Soviet track stars dash in Leningrad Friday and Saturday in the first head-to-head competition between the two squads in three years. Soviet officials say the meet in the 30,000-seat Lenon Stadium will be televised to 32 countries.

It is the 17th dual competition between the two squads, which are among the strongest in the world, but the first since the United States led a boycott of the 1980 Moscow Olympics.

The United States won the last dual meet 190-177 in California in 1978, but the Soviets lead the overall series 12-3-1, due to the dominance of the women. Soviet women have outscored their American counterparts in 15 of 16 previous meets, often by a lopsided margin. The American men have won their half 17 of 16 times, but usually by a narrower score.

The 1981 match-up poses many variables. Only 12 of 30 winners at last month's U.S. National Championships made the trip to this northern Russian city.

U.S. head coach, Harmon Brown, said several of the missing Americans had previous commitments. Among the missing are teenage sensation Carl Lewis, who won the 100-meter dash and long jump, and Evelyn Ashford, the U.S. women's 100-meter and 200-meter sprint champion.

The Soviet coach, Nikolai Politiko, said at a news conference Thursday that 15 Olympic gold medalists are missing from the Soviet team. "It is an opportunity to look at and test our young athletes," he said. Still, no one is denying the significance of the meet, particularly in light of the boycott of last summer's Olympic Games.

Nikolai Popov, chairman of the Leningrad Sports Committee, told reporters that the boycott was America's "own business," although he added: "We did not suffer greatly because the U.S. team did not come. The U.S. athletes lost more."

The American athletes have played down the political implications of the meet. Several have said it was not a topic of discussion among themselves. But for some, who were held out of the Olympics, the Leningrad event provides an opportunity to prove to the Soviet crowd what the Americans could have done. "I want to win it bad for the United States and for myself," said 19-year-old Tara Mastin, a sprinter.

The American squad is led by U.S. 400-meter hurdles champion Edwin Moses, who has not lost a race in nearly four years, 110-meter hurdle champion Craig Foster, Veteran shot-putter Brian Oldfield, 100-meter hurdle champ Stephanie Hightower, and the women's 800-meter champion, Madeline Manning, 33, who ran in her first U.S.-Soviet meet in 1968.

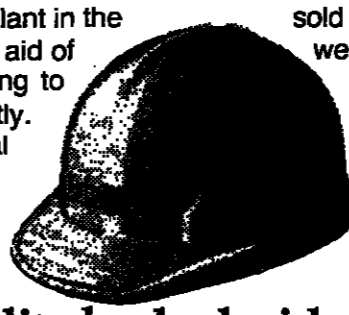
The Soviet squad is led by pole vaulter Yuri Polyakov, fresh from setting a new world's record of 5.80 meters in a meet last month against East Germany in the Soviet city of Tbilisi.



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Regan foresees fall in U.S. interest rates

WASHINGTON, July 10 (R) — Treasury Secretary Donald Regan has predicted that U.S. interest rates, the cause of worldwide concern, should come down this summer.

Regan said Thursday at a breakfast with reporters that he was disappointed with Wednesday's decision by most major U.S. banks to raise the prime rate they charge their

Brazil cuts coffee prices

RIO DE JANEIRO, July 10 (AP) — Brazil has drastically cut its green coffee export prices effective Monday, July 13, the official Brazilian Coffee Institute (IBC) has announced.

The IBC Thursday the nation's top grade coffee would drop from \$2.00 U.S. a pound down to \$1.07 a pound, while lower quality top grade decreased from \$1.98 to \$1.06.

For inferior grade coffee, the prices will drop from \$1.85 for higher quality down to \$1.00 a pound, and from \$1.75 a pound down to 95 cents for the lowest grade Brazilian coffee.

Besides cutting the price per pound almost in half, the IBC said the nation's export surcharge was being cut from \$ 177 per 132 pound bag down to \$50, also effective Monday.

The IBC said no export sales could be registered with the institute for the rest of this week, but that registry books would be opened again Monday with the new prices in effect.

largest borrowers from 20 to 20.5 percent. The prime rate should fall to under 10 percent by late next year, he said.

Regan said rates were boosted because money market traders do not seem to believe the Fed (Federal Reserve Board) is for real and were skeptical about President Reagan's economic program. The board, the U.S. Central Bank, is trying to reduce the rate of growth in the U.S. money supply in order to lower the inflation rate. However, many financial traders apparently believe it will not succeed.

Interest rates generally exceed the rate of inflation by three or four percentage points. Regan observed that the current gap between rates and U.S. inflation, which has been at a seven percent rate in recent months, is unusually large.

The treasury secretary said the U.S. inflation rate should stay in single figures, but admitted he did not know how long it would take to convince the financial markets. "The traders have been burned time and again on interest rates," he added.

Some evidence of a decline in interest rates would be welcome news to U.S. trading partners, who will meet at an economic summit in Ottawa, Canada in less than two weeks.

They have complained that high U.S. interest rates and the resulting rise in the value of the dollar are damaging their own economies, notably by increasing the price of imported oil, which is generally priced in dollars. U.S. officials have resisted all pleas for a policy change, insisting that high interest rates are an unfortunate but necessary result of efforts to reduce inflation.

OECD sees dip in U.S. growth rate

PARIS, July 10 (AFP) — A sharp slowdown in United States economic growth in the second half of this year, followed by a fairly moderate recovery toward the end of 1982 and a rather small reduction in inflation, has been forecast by the OECD.

In a forecast Thursday, based on the assumption that President Ronald Reagan's economic policies are endorsed by Congress, the OECD said U.S. gross national product (GNP), which grew at an annual rate of five percent, could expand at a very moderate rate of 0.5 percent in the second half and in the first quarter of 1982, before picking up to reach 2.5 percent.

This could give a year-on-year growth rate of 2.4 percent this year, declining to one percent next year, the Paris-based organization said, noting that U.S. forecast was substantially higher.

It said this discrepancy was based on what it described as "uncertainties" about impact of the new U.S. monetary policy and the administration's program of tax and public expenditure cuts.

The report said the OECD's forecast did not allow for "as rapid a transformation of expectations and behavior as does the administration's, not does it allow for (money circulation) velocity shifts which would attenuate the influence of tight monetary policy."

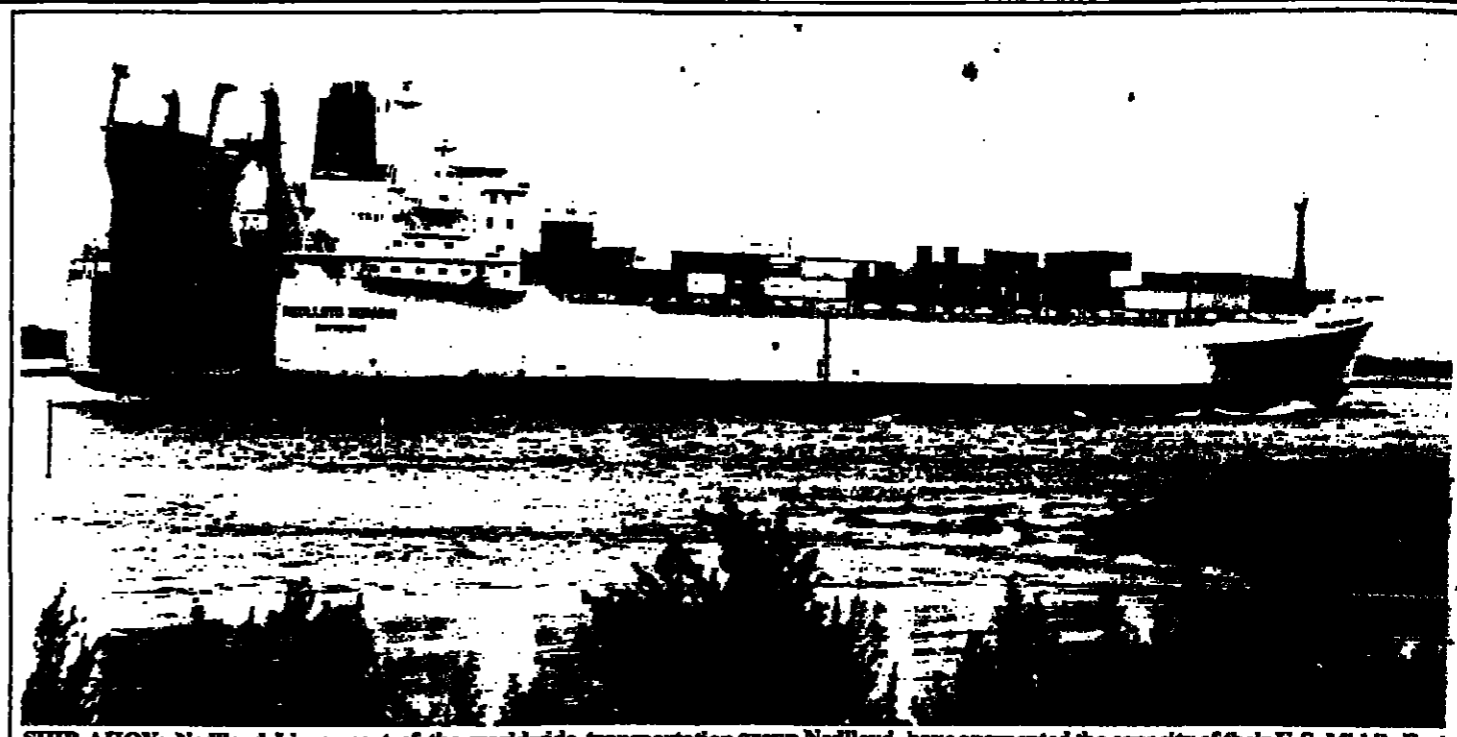
The OECD report said a marked shortfall in demand from other OECD countries and the appreciation of the dollar would weaken U.S. exports. The current account would show a deficit of \$5.5 billion next year.

While the domestic demand could rise 2.5 to three percent with the personal tax cuts raising disposable income, the report said, the underlying strength of fixed business investment "must be balanced against interest rate developments which could put a question mark over the otherwise attractive projects.

Bolivia suspends talks with IMF

LA PAZ, July 10 (R) — The Bolivian government has suspended negotiations with all international organizations, including the International Monetary Fund (IMF), until the country's political situation has been clarified, official sources have said.

They quoted Finance Minister Jorge Tamayo Ramos as telling private businessmen Thursday night that Bolivia had no valid spokesman to represent it with international organizations at present.



SHIP AHOY: Nedlloyd Lines, part of the worldwide transportation group Nedlloyd, have augmented the capacity of their U.S. Middle East service with the addition of the three-decker (25,000 dwt) Ro-Ro's, the Nedlloyd Rosario.

Economy in disarray Polish congress faces challenging task

WARSAW, July 10 (AFP) — Never before has a congress held by a ruling Communist Party had to cope with an economic challenge of the size facing the 1,964 delegates of Poland's Unified Workers Party (POUP), which will need to adopt radical measures next week.

Poland is weighed down by a consumer subsidy system taking one quarter of the nation's budget, inhibited by an external debt equivalent to three times the nation's exports to the "capitalist" countries, and sick with the twin evils of inflation and falling output.

This year the excess of money supply over available consumer goods on the home market may well emerge at 1,500 million zlotys (\$44 million at the tourist exchange rate) per day. Industrial output is expected to be down 18 percent on the 1980 figure.

Owing to shortages, rationing is in force for sugar, meat, grain products, fat products and detergents. Special rationing measures are applied in some regions in the case of alcohol, cigarettes, soap and gasoline.

The overall situation is getting worse, and the party's central committee has appointed a group of experts to work out an economic reform plan built round decentralization: Company autonomy and a form of co-management.

The most striking aspect of this reform, which is on the same lines as programs adopted in Hungary and Yugoslavia, is the scope that unprofitable companies will have to declare themselves bankrupt, provided they are not of the public service type.

Companies will be wholly or partly self-

financed and be largely independent as regards wage structures and manpower management. In general terms they will be supervised by worker co-management committees whose powers will cut into those of the top company executives.

The reform plan was recently given the go-ahead by parliament which initiated a regrouping of the main ministries involved in economic affairs. The experts believed priority should be given to improving the agricultural sector whose shortcomings are held responsible for one third of the country's external debt, and simultaneously to the "normalizing" of the nation's pricing system.

As regards farming, the authorities are now treating the collective and individual units as having equal status. In fact private farming is being specially encouraged, as it

Ugandan plans of recovery recede

KAMPALA, July 10 (AFP) — Falling world coffee prices, tight-fisted donors and low productivity among Ugandan workers have dashed hopes by the Ugandan administration of President Milton Obote to preside over an early economic recovery.

Almost six weeks after Obote announced his major currency reforms on June 1 and dropped price controls at the prodding of the International Monetary Fund (IMF), Uganda's economic outlook still remains bleak.

Domestic prices have risen sharply with the lifting of price controls. Industrial output still stands at a pathetic national average of 10 to 20 percent of the installed capacity, and apart

from the \$127 million released to Uganda, the IMF and World Bank, and the \$5 million grant from Algeria, donors have remained cautious with their money.

The price problem is trickier, as more than one government, including that of Wojciech Jaruzelski, has discovered. The new chairman of the prices committee, Krasinski, has said that pricing reform is a matter of urgency, nothing is done by early next year, a 1 percent rise in prices will prove necessary, recently declared.

Krasinski suggests a phased program prices. At the end of August price increases should be applied to break, sugar, grain products, vegetable oil, gas, electricity, coal and hot water. No figures are given, but an increase could average some 70 percent.

Ugandan plans of recovery recede

Available economic statistics in Uganda present a catalogue of continuing financial woes which have spared no one. Sugar, which tripled from 15 to 46 shillings a kilo Obote's June budget, has again trippled to the last fortnight, to 175 shillings a kilo government stores in Kampala.

Taxi fares went up by 100 percent on some routes after the budget, beef by 50 percent, while the prices of local staples remained chaotic but all at the same time

Authority	Description	Tenders No.	Price SR	Closing Date
University of Petroleum & Minerals	Maintenance of the automatic exchange of the university	—	200	23/8/81
Royal Saudi Air Force, Riyadh	Expansion of the micro-wave extension	—	300	21/7/81
University of Riyadh	Provision of athletic tools & clothes	11	100	16/7/81
Ministry of Communications	Pavement of Al-Hilwa road at Hootat Bani Tamim at 11.83 kms long	—	2000	18/7/81

Berth	Name of Vessel	Agent	Type of Cargo	Arrival Date
4.	Vorras	Alsbah	Bagged Barley	6.7.81
6.	Saudi Enterprise	O.Trade	Bagged Sugar	"
8.	Klaus Leonhardt	Alsaada	Gen./Veh./Contrs.	5.7.81
9.	Robert-e-Lee	Kanoo	Anti ko compound/ flour (in barges)	"
10.	Queen of Sheba	Orri	General	7.7.81
11.	Robert-e-Lee	Kanoo	Anti Ko Compound/ Flour (in barges)	5.7.81
12.	Pacific princes	El Hawi	Reefer	6.7.81
14.	Blue Star	Ba Aboud	Loading	"
18.	Odysseus	Rolaco	Bulk Cement	27.6.81
19.	Falcon Cement	Alsbah	Bulk Cement	"
20.	Attalaya	Gulf	Timber/General/ Paper	5.7.81
22.	Bora II	O.C.E.	Contrs. Timber/Gen.	8.7.81
23.	Emanuel	O.C.E.	Reefer	5.7.81
24.	Santa Maria	O.C.E.	Reefer	8.7.81
26.	Elefeth	O.C.E.	Reefer	8.7.81
27.	Lanka Devi	Gulf	Bagged Sugar	4.7.81
28.	Barber Menelaus	Barber	Contrs./General	7.7.81
29.	Imouzer	Star	Reefer	4.7.81
31.	Maria Schulte	kanoo	To load Contrs.	6.7.81
38.	Edward Rutledge (Barge)	Kanoo	Cont./Gen./bag cargo	5.7.81
2. RECENT ARRIVALS:				
	Privispltsid Odred	Attar	Pipes/drum/cables	8.7.81
	Atlantic Current	Alireza	Gen./Bags Sugar/ Milk food	9.7.81
	Bora II	O.C.E.	Contrs./Timb./Gen.	8.7.81
	Elefeth	O.C.E.	Reefer	"
	Ever Large	A'salibi	Contrs.	"

2.	Asua BI-12	SMC	General	7.7.81
2.	Asua No. 12	Alsaada	Steel	8.7.81
4.	United Grace	Kanoo	General	5.7.81
5.	Ming Challenger	Kanoo	General	8.7.81
6.	Ibn Hayyan	Kanoo	General	8.7.81
10.	Geliga (2nd call)	Gosajibi	Loading Urea	6.7.81
11.	Fides	Alsaada	General	6.7.81
12.	Nefeli	Gosajibi	General	8.7.81
13.	Primula	Gulf	Steel Pipes	7.7.81
14.	George	Alsaada	Pipes/Gen.	7.7.81
17.	Zarka	Barber	Rice	6.7.81
20.	Kag Mu	Gosajibi	Rice	8.7.81
23.	Vair Load	AST	Crane Parts	8.7.81
31.	Sgandinev in Maru	Kanoo	Bulk Bentonite	7.7.81
32.	Maccassar Maru	Gosajibi	Steel Plates/Gen.	7.7.81
33.	Princes Aurora	AST	General	27.81
34.	hong Chun	orri	General	27.6.81
35.	Klneil Ford	Alsaada	Steel	26.6.81
36.	Toki Arrow (DB)	Alsbah	Bulk Cement	30.8.81
37.	Arabian Luluah	Barber	Cement Silo VSL	27.10.77
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MYOJIN	V-9	RORO	19-7-81
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OECD study says

OPEC surpluses face decline

PARIS, July 10 (AFP) — The surpluses of the 13 members of the Organization of Petroleum Exporting Countries (OPEC), which last year reached a record \$121,000 million will fall slightly in 1981 to \$109,000 million and then "significantly" in 1982 to \$67,000 million, the Organization for Economic Cooperation and Development (OECD) has said in its half-yearly report.

This drop in the OPEC payments surplus stemmed from a fall of about 7.5 percent in their oil exports as compared with 1980 from \$3.3 million to 23.9 million barrels a day for the 13 countries plus Oman.

The OPEC countries need to allow for the 10 percent decline in consumption in the 24 industrialized countries within OECD from 35.5 million to 36.7 million barrels a day. Exports of oil by the OECD would fall from

23.8 million last year to 21.9 million this year.

With an average oil price rise of 10.5 percent over 1980 rates, crude exports would this year bring OPEC \$309,000 million against \$301,000 million in 1980 and 216,000 million in 1979.

Despite the difficulty of forecasting the economic situation in the two Gulf countries at war, Iran and Iraq expects a rise of some 14 percent in OPEC imports this year.

The OECD experts believe Iraq substantially boosted its physical imports in the first half of 1981. Meanwhile, Saudi Arabia should sharply increase its foreign purchases in the five-year period that began this year.

Allowing for \$52,000 million of financial transfers, the current balance of OPEC should this year show a surplus of \$109,000 million against previous \$121,000 million

OECD said.

The monetary position of the OPEC nations should worsen in 1982 following a 6 percent rise in imports of industrial and consumer goods and a continuing fall in oil shipments from 22.9 million barrels a day to 21.9 million for the 13 countries plus Oman.

The OPEC countries with a high intake capacity, that is with a large population and major development programs (such as Algeria, Nigeria, Indonesia, Iraq and Venezuela) should suffer a current budget deficit of \$13,000 million in 1982.

This group of nations would thus return to the 1978 situation prior to the "second oil shock", when their deficit was \$11,000 million. Their surplus, which reached \$25,000 million last year, would fall to \$9,000 million this year OECD said.

EEC textile units clamor for trade protection

BRUSSELS, July 10 (R) — Faced with mounting job losses, plunging demand and competition from the United States and developing world, European textile manufacturers are clamoring for more trade protection.

Between 1973 and 1980, some 800,000 jobs in the European Economic Community (EEC) textile and clothing industries were lost, a drop in employment of 25 percent.

Textiles are still one of the biggest employers of industrial labor in the EEC, providing one job out of 10 in manufacturing industries.

EEC countries are currently trying to agree a joint stance for renegotiation of the fiber arrangement (MFA), which limits imports from the developing countries.

Last week in Geneva, the textile committee of the General Agreement on Tariffs and Trade (GATT) opens full-scale negotiations under the MFA, and EEC sources are bargaining is expected to be tough. Developing countries are unhappy the restrictions already imposed on

them, and see no reason why they should be penalized further. But as the Western European textile industry fights for survival in some of the most depressed areas of the EEC, hardly any official here disagrees that restrictions of some kind should be maintained.

"An extension of the MFA beyond 1981 is necessary in order to avoid chaos in the world textile trade," the EEC Commission said in a report last April.

Demand for textiles was virtually stagnant in the EEC for most of the 1970s, rising by only one percent a year, and it is expected to remain slack in the 1980s. But between 1973 and 1980, imports into the EEC doubled, EEC figures show.

Part of the flood came from the United States, where low energy prices made synthetic fibers cheap to produce. But a large share came from the Third World producers, and EEC manufacturers say they cannot compete with the products of cheap and plentiful labor available there.

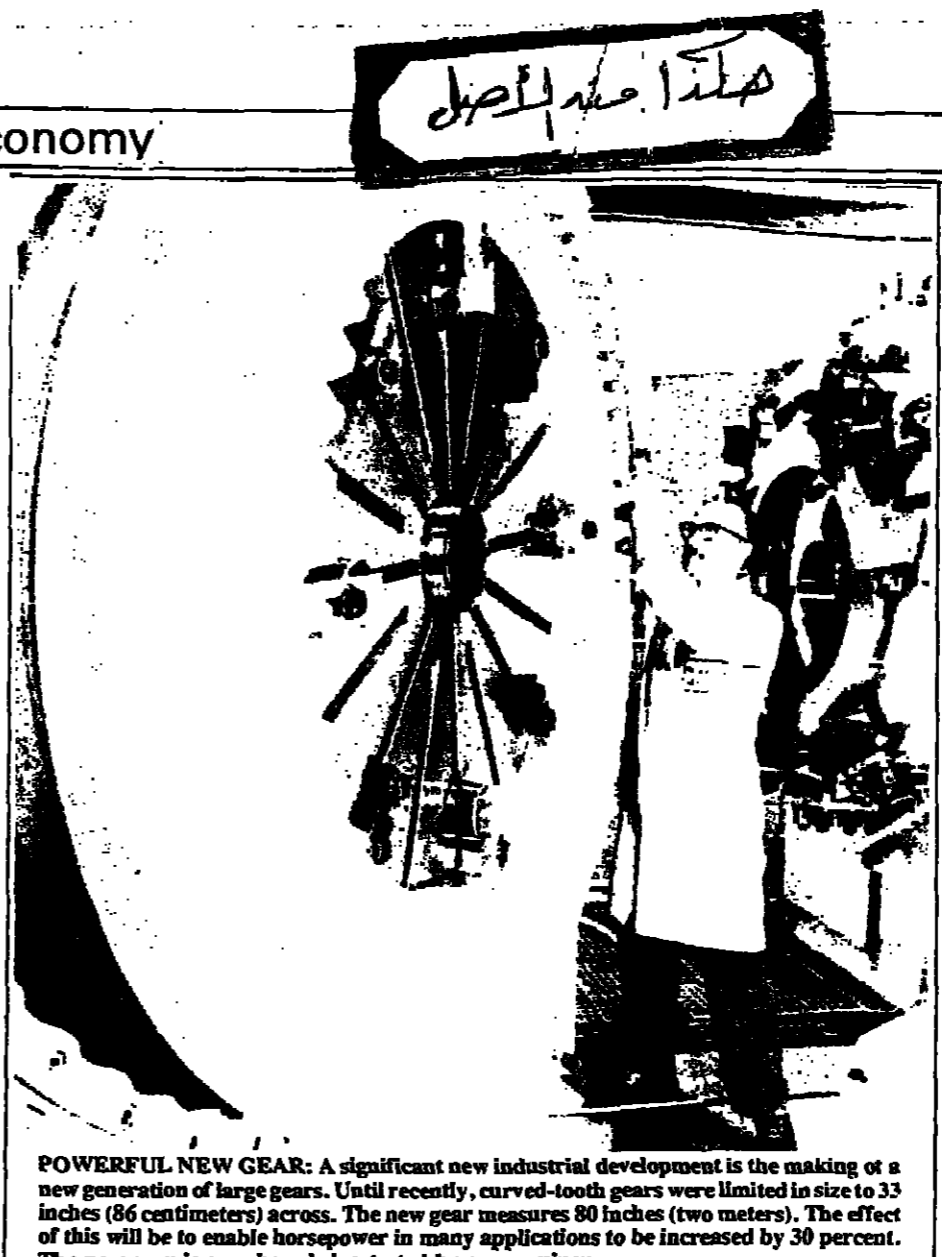
The Third World producers claim that they are being penalized for trying to develop their economies in a sector where the process of industrialization traditionally begins. "It just

doesn't make sense for the developed countries to be in such technologically backward industries as textiles," the trade representative of one developing country here said.

Particularly vocal in their protests are Hong Kong, Taiwan and South Korea, whose textile sales to the EEC rose markedly in the 1970s. It is against them that the EEC is likely to try to raise additional barriers in the new round of MFA negotiations.

Textile manufacturing in Europe claim that textile workers in Hong Kong, for example, are underpaid, artificially distorting production costs. Europe cannot just stand by and see such a crucial industry wither because of this sort of competition, they maintain.

Under the existing MFA agreement, the EEC negotiated bilateral agreements which slowed down imports of textiles from the developing countries to an increase of four percent a year. But now the commission wants to introduce an extra restriction, by aiming to stabilize imports from "newly industrialized countries" like Hong Kong, Taiwan and South Korea in order to help out the least developed countries.



POWERFUL NEW GEAR: A significant new industrial development is the making of a new generation of large gears. Until recently, curved-tooth gears were limited in size to 33 inches (86 centimeters) across. The new gear measures 80 inches (two meters). The effect of this will be to enable horsepower in many applications to be increased by 30 percent. The new gear is seen here being tested by an examiner.

U.K. passport office staff to end strike

LONDON, July 10 (AP) — Three hundred civil servants whose strike at Britain's five passport offices has caused massive backlogs in the issue and renewal of passports said Thursday they will return to work "as soon as possible," probably next week.

A spokesman for the Council of Civil Service Unions said the passport strike had been "highly effective" and that "we have done as much damage as we are going to do. The backlog of applications is such that there will still be enormous delays for many months. We decided that the strike was of less priority now."

But the series of rolling strikes by Britain's other 529,700 civil servants that began last March over an unresolved pay dispute with the government will continue, the council spokesman said. The passport office strike was part of the overall civil service strike campaign.

The strike at passport offices at London and four regional centers has caused delays in getting passports issued or renewed of two months or more. Britons have been able to travel to America and several European countries on either outdated passports or special documents issued by the post office.

Dominican halts sale of gold

SANTO DOMINGO, July 10 (AP) — President Antonio Guzman has announced that the sale of gold in the Dominican Republic had been "temporarily" suspended until the world price rises.

"When the world market turns down, as has been the case of gold, it's a good idea to suspend sales on a temporary basis," he said. So far this year, the Dominican Republic has earned about \$1 billion from gold, selling at an average price of \$600 an ounce, the government said.

Prelude to summit
Trudeau set to meet Reagan

WASHINGTON, July 10 (R) — Canadian Prime Minister Pierre Trudeau Friday is scheduled to hold talks with President Reagan to help lay the groundwork for an economic summit meeting of seven leading industrial countries in Ottawa later this month.

Before leaving for Washington Thursday, Trudeau told reporters he believed U.S. interest rates, now about 20 percent, were much too high and said the issue would be discussed at the Ottawa meeting on July 20 and 21.

Some European allies have also attacked the high rates, which have drawn a flood of capital into the United States from Europe and strengthened the U.S. dollar against other currencies.

But the Canadian leader, who is visiting Reagan at a time of unusually great strain between Ottawa and Washington over Canada's nationalistic economic policies, said he did not intend to take an anti-American stance at the summit. The Reagan administration said Thursday it was considering counter-measures against Canada for economic policies which discriminated against American companies.

Deputy U.S. Trade Representative David MacDonald told a House of Representatives Commerce Committee the Canadian policies were "extremely troublesome" and spokesmen for the Treasury and State Departments echoed his concern.

Although all three officials said the United States should proceed cautiously on any retaliation against Canada, MacDonald said counter-measures were being considered.

The Reagan administration contends that high interest rates are needed as part of its program to curb inflation and spur U.S. economic growth, which would aid other countries too.

But Trudeau said America's allies at the summit would want to convince themselves "that these high interest rates, which are having adverse effects on them will serve some good use — in other words, revitalize the American economy."

He said he hoped that when he and the leaders of Britain, France, West Germany, Italy and Japan met Reagan in Ottawa. Their attitude toward U.S. economic policies would be, "we're requesting you, but when is it going to work?"

Canadian officials say Trudeau intends to concentrate during his one-day visit on preparations for the summit rather than bilateral problems, but these have been very much in the forefront in Washington this week with congressional committee hearings on the effects of Trudeau government policies. The prime minister will join Reagan for private talk and a working lunch.

After earlier preparatory talks in Europe last month, Trudeau said a major reason for the summit would be to permit the leaders to become acquainted with each other. For example France's new Socialist president, Francois Mitterrand, will be seeing the conservative Reagan for the first time.

Earlier in Washington, Secretary of State Alexander Haig and Gaston Thorn, president of the European Economic Community (EEC) commission have said that the United States and Western Europe attach the same importance to the progress of dialogue with the Third World.

BRIEFS

ROME, (AFP) — Fiat Auto and Alfa Romeo, and the Fiat steel subsidiary Teksid and Finsider, are to discuss co-operation under letters of intent signed by the Fiat group, Fiat Auto and Alfa Romeo, who both lost money in their last financial year, will study the scope for co-ordinated research and output of components.

LONDON (AFP) — A £ one billion (\$2 billion) inflation-linked 25-year bond issued by the Bank of England was poorly subscribed and offers were made below target the bank has said. It had set an £86 floor for the issue, and offers at this figure were accepted. Dealers had hoped for around £93.

MOSCOW (AFP) — The Soviet Union's future energy supplies depend on development of nuclear energy and increased coal consumption to replace the use of oil, politburo member Vladimir Shcherbitsky said in *Izvestia*, the Soviet government's newspaper, Friday.

BONN (AFP) — The cost of living in West Germany rose by 0.5 percent in June against 0.4 percent in May, official figures published here indicated. Over the last 12 months the rise has totaled 5.5 percent.

WASHINGTON (AP) — The International Development Association announced Thursday a credit to India equivalent to \$400 million for the second stage of the development of the Korba thermal power station in Madhya Pradesh state. The first stage is presently being constructed with the financing of a 1978 IDA credit of \$200 million.

Japan to take part in 1982 world fair

TENNESSEE, July 10 (AP) — Promoters of the 1982 world's fair say Japanese leaders have committed their government to the largest exhibit by a foreign nation for the international exposition that starts May 1, 1982.

The contract was signed at the site of the Japanese exhibit Thursday.

Meanwhile, a world fair official returning from a trip said the Chinese government hasn't decided whether it will participate in the six-month event. King Cole, a world's fair official who recently visited China, told colleagues he expects the Asian nation will decide later this month.

Ryo Kawade, Japan's consul general for the United States, said his country was "very interested in the fair's theme — energy. "I wish to express my country's hope that Japan and the United States, in close cooperation with other interested countries, could contribute to the solution of the energy problem," Kawade said.

Pakistan team to visit U.S. for talks

WASHINGTON, July 10 (R) — A delegation from Pakistan will visit the U.S. next week to work out details of a proposed multi-million dollar package deal, the administration officials have said.

The five-year program would revive U.S.-Pakistani security ties ruptured by the Carter administration two years ago over allegations that Pakistan was secretly developing nuclear arms.

The program, announced last month after a visit to Islamabad by Undersecretary of State James Buckley, would include \$1.5 billion in economic development assistance and at least that much in foreign military sales credits, officials said.

U.S. and Pakistani officials said that in addition to the \$1.5 billion in military assistance, Pakistan would make an unspecified amount to cash arms purchases this year, with money provided by Saudi Arabia and other "Islamic friends."

The only detail of the sales so far disclosed is that they will include F-16 jet fighter-bombers. The package is expected to generate a heated congressional debate, including charges that Pakistan is continuing work on a nuclear bomb and concerns voiced by the Pentagon that selling any more F-16s abroad could leave the U.S. air force short.

A high-level American official said later

that Pakistan's military forces will still be far inferior to India's even after the proposed U.S. arms sales to Islamabad. Briefing reporters, the official said India had been buying large quantities of modern arms while Pakistani forces "have been limping along with Korean war vintage equipment."

Foreign Exchange Rates

Quoted at 5:00 P.M. Thursday

	SAMA	Cash	Transfer
Bahraini Dinar	—	9.00	9.06
Bangladesh Taka (100)	—	—	15.10
Belgian Franc (1,000)	85.00	111.00	—
Canadian Dollar	2.84	—	2.8350
Deutsche Mark (100)	139.00	139.50	138.50
Dutch Guilder (100)	125.00	124.85	124.10
Egyptian Pound	—	4.08	4.23
Emirates Dirham (100)	—	91.08	92.90
French Franc (100)	59.00	59.20	58.45
Greek Drachma (1,000)	—	61.00	57.60
Indian Rupee (100)	—	—	38.55
Iranian Ryal (100)	—	25.00	—
Iraqi Dinar	—	8.00	—
Italian Lira (10,000)	28.00	28.90	27.90
Japanese Yen (1,000)	14.80	—	14.90
Jordanian Dinar	—	10.19	10.09
Kuwaiti Dinar	—	12.11	12.04
Lebanese Lira (100)	—	78.10	77.85
Moroccan Dirham (100)	—	65.00	63.20
Pakistani Rupee (100)	—	—	34.58
Philippines Peso (100)	—	—	43.35
Pound Sterling	6.42	6.50	6.41
Qatari Riyal (100)	—	92.50	93.75
Singapore Dollar (100)	—	—	137.25
Spanish Peseta (1,000)	—	—	34.75
Swiss Franc (100)	—	162.20	161.50
Syrian Lira (100)	—	57.00	66.95
Turkish Lira (1,000)	—	33.50	—
U.S. Dollar	3.41	3.4190	3.4120
Yemeni Ryal (100)	—	75.50	74.75

Selling Price Unquoted Buying Price

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IBN HAYYAN	8-7-81	DAMMAM
AL RUMAITHIAH	8-7-81	DAMMAM
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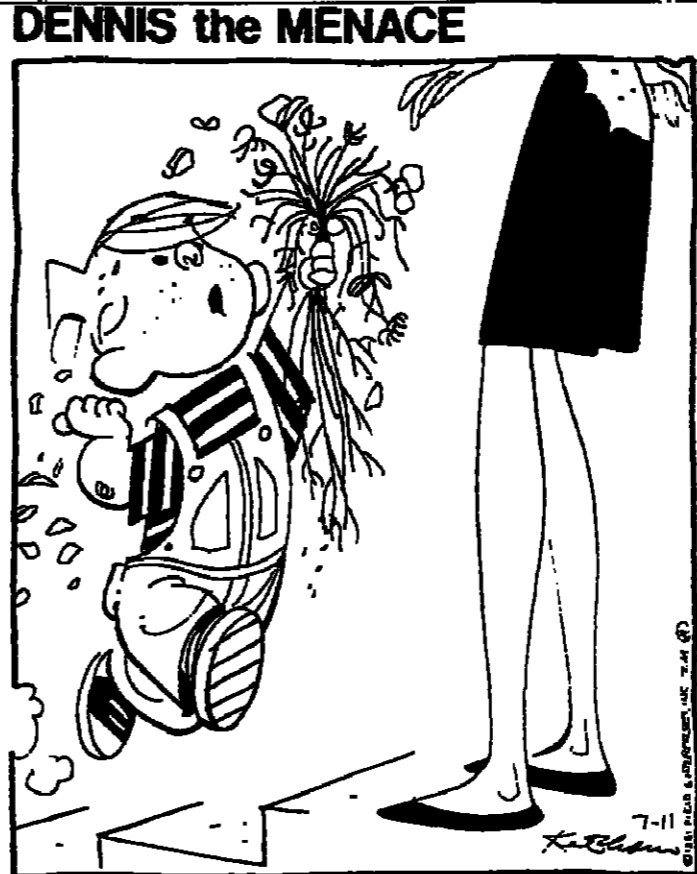
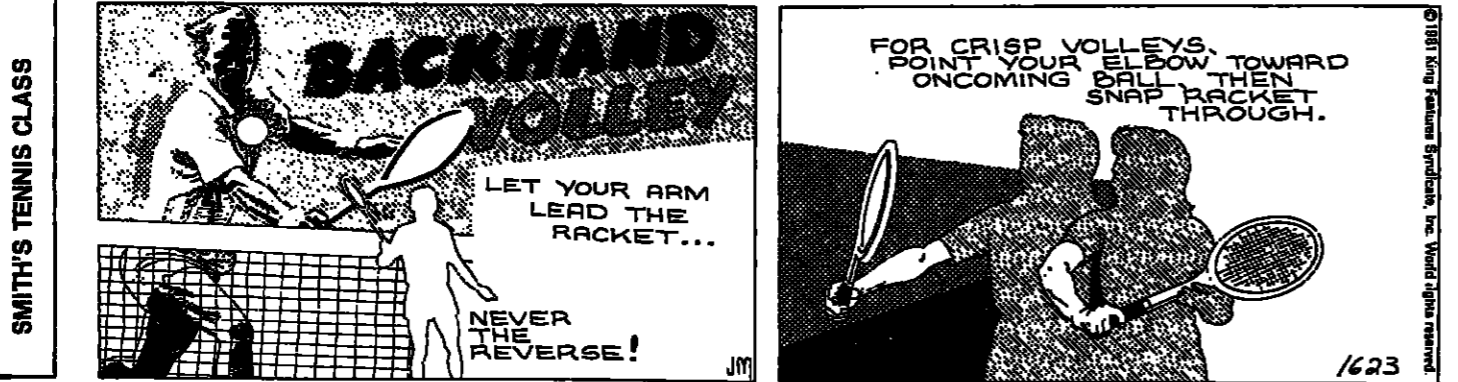
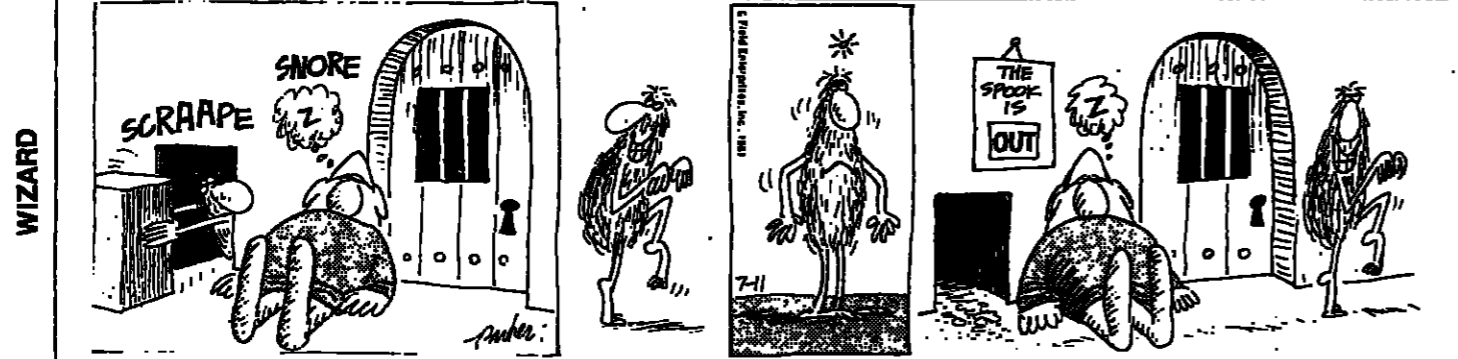
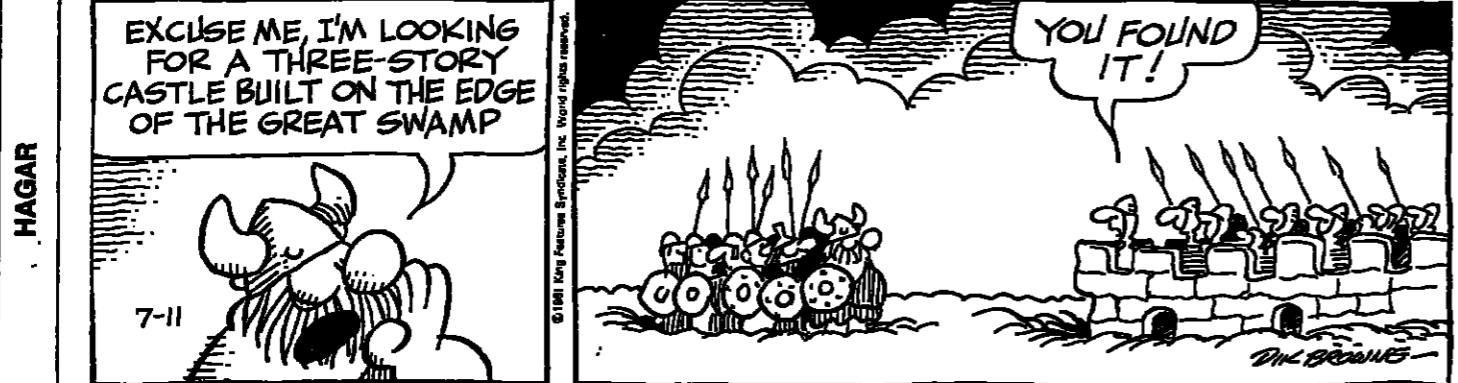
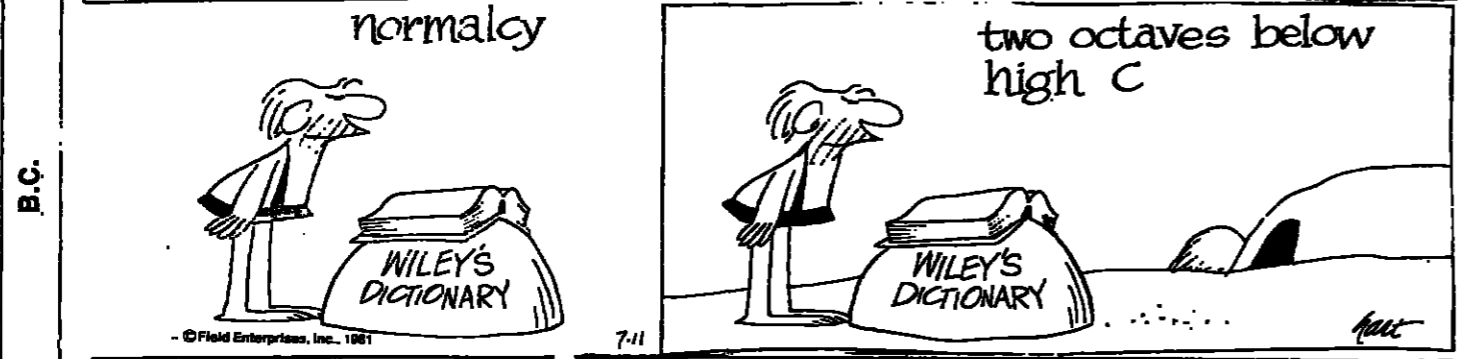
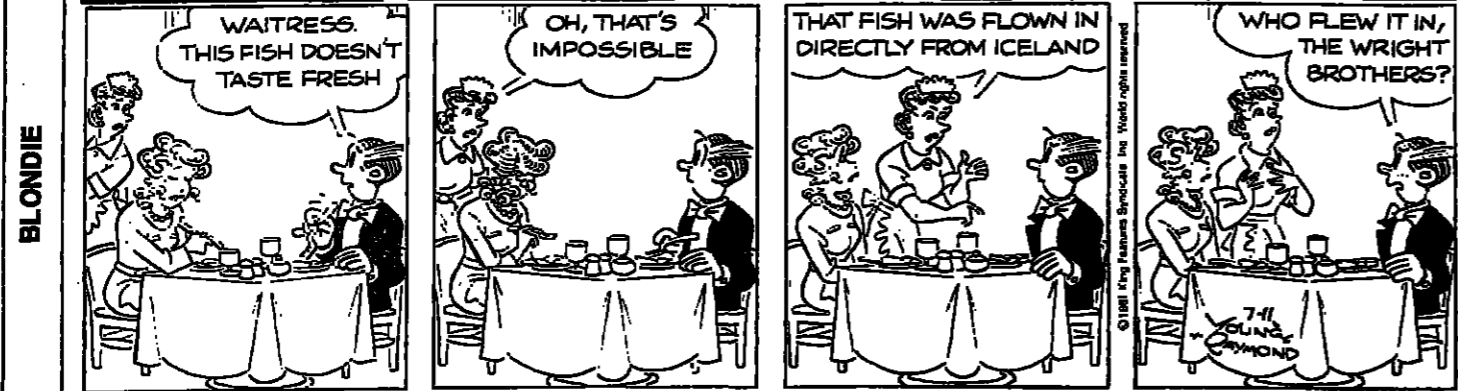
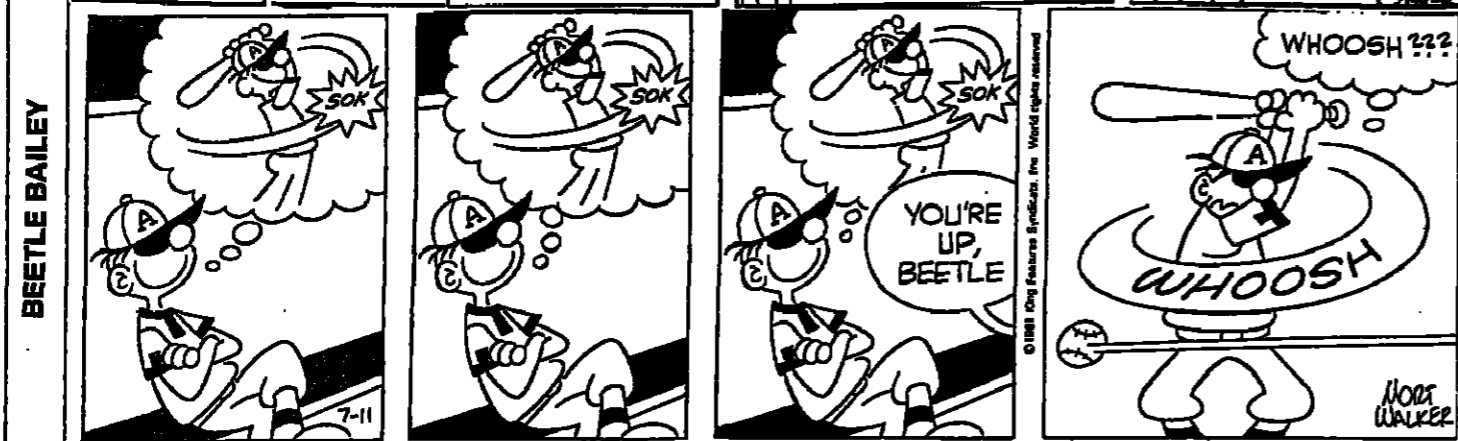
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"THESE WERE PRETTIER BEFORE I LOST SOME OF THE PETALS FIGHTIN' WITH A BEE."

Contract Bridge B. Jay Becker

The One and Only Chance

South dealer. North-South vulnerable.

NORTH
 ♠ A 6 5 2
 ♥ A K Q 9 8 3
 ♦ K Q 10

WEST
 ♠ K 10 5 2
 ♥ Q J 10 8 3
 ♦ 4
 ♣ 7 6 3

EAST
 ♠ 8 7 6 3
 ♥ 9 7
 ♦ 7 6 2
 ♣ 9 5 4 2

SOUTH
 ♠ Q J 9 4
 ♥ A K 4
 ♦ J 10 5
 ♣ A J 8

The bidding:
 South West North East
 1NT Pass 4♣ Pass
 4♣ Pass 7NT

Opening lead - queen of hearts.

Criss-cross squeezes occur only once in a blue moon, but they can be powerful weapons when the setting is right. Consider this deal where North bid a grand slam after South opened one notrump. Four clubs was Gerber, asking for aces, and South indicated two of them by responding four spades. North thereupon went to seven notrump, though he should have stopped by the wayside to ask for kings. Had he done that, he might have had second thoughts about bidding seven after South showed only one king.

When dummy now cashed the queen of clubs, West found himself in trouble. If he discarded a heart, South would cash his king and dummy would score the last two tricks. If West discarded a spade, dummy would cash the ace and South would score the last two tricks. Either way, the criss-cross squeeze was bound to succeed.

Your Individual Horoscope

Frances Drake FOR SATURDAY, JULY 11, 1981

What kind of day will tomorrow be? To find out what the stars say, read the forecast given for your birth sign.

ARIES (Mar. 21 to Apr. 19) Others may be touchy in the morning, but the situation improves later. Towards nightfall, you'll reach agreement about finances.

TAURUS (Apr. 20 to May 20) If you have offended a loved one, you'll be able to mend fences towards evening. Heart-to-heart talks lead to pleasant times.

GEMINI (May 21 to June 20) You may be undecided about a work project, but you'll come up with the right answers later. Be alert for a new job or money opportunity.

CANCER (June 21 to July 22) Children may be difficult during the morning. Later, the way is clear for good times with loved ones. Singles attract romance.

LEO (July 23 to Aug. 22) Small domestic problems require your attention, but you'll experience a sense of well-being once you've handled them. Enjoy family life.

VIRGO (Aug. 23 to Sept. 22) Morning plans are subject to revision, which could prove exasperating. Even so, a dance at a social event will pick up your spirits.

LIBRA (Sept. 23 to Oct. 22) A friend could be touchy to a money question. Penses are high now, but meet with both career and financial opportunities.

SCORPIO (Oct. 23 to Nov. 21) A fawning manner will resented by a superior. Bring up personal problems with non-interested. Evening looks promising.

SAGITTARIUS (Nov. 22 to Dec. 21) You'd like a quiet week but interruptions inter with privacy. Take a You'll find that things will prove towards nightfall.

CAPRICORN (Dec. 22 to Jan. 19) You may contact the friend about a business matter, but keep trying and meet with one sympathizer.

AQUARIUS (Jan. 20 to Feb. 18) A close tie may feel left if business is the only thing your mind. Be considerate but take advantage of instant developments.

PISCES (Feb. 19 to Mar. 20) If traveling, the alternate the best time to leave. A second opinion about business matter. Save time hobbies.

Crossword

by THOMAS JOSEPH

ACROSS
 1 Ustinov Reynolds film
 5 Dishonest gain
 10 Can't take
 11 Deliver information
 13 Rarin' to go
 14 Dinner course
 15 Salt (Fr.)
 16 Word with wild or bob
 17 Piazza
 18 Wax poetic over
 20 Say further
 21 Prior to
 22 She (Fr.)
 23 Young herring
 26 Scoff
 27 Syrian city
 28 Tibetan gazelle
 29 Fall behind
 30 Deep red
 34 Call - day
 35 Never Godfrey's nickname
 37 Stupid one
 39 Alpert
 40 Undamaged
 41 Gaelic

DOWN
 2 Wanton look
 3 Pursuit
 4 Actor Beaty
 6 French amunity
 7 Likely
 8 Really sign as with
 9 Foot lever
 12 Profiter
 16 Actor Jurgens
 19 File up support
 24 Overlying
 25 The Henley, e.g.
 28 Citadel
 28 Stocking
 30 Maltess Falcon character
 31 French silver
 32 Minister
 33 Cinder
 38 Farceur
 39 Child of Loki

1	2	3	4	5	6	7	8	9
10				11				
13				14				
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37		38				39		
40						41		
		42				43		

DAILY CRYPTOQUOTE - Here's how to work

AXYDLBAAXR
 LONGFELLOW

One letter simply stands for another. In this sample, used for the three L's, X for the two O's, etc. Single left apostrophes, the length and formation of the words are hints. Each day the code letters are different.

CRYPTOQUOTES
 M UFAWRJPAZ AW WMZGO M
 CRADMPPAZJ PJ ARD AW UIM
 PZ M IANQ IQDDQF - G. Z HAN
 Yesterday's Cryptoquote: GENIUS MAY CONCEIVE BUT TIENT LABOR MUST CONSUMMATE. - HORACE MANN

Believe It or Not!

LORD MOUNTBATTEN (1900-1979) ONE OF BRITAIN'S WAR HEROES, WHO WAS KILLED WHEN A BOMB DESTROYED HIS YACHT, HAD SUFFERED THE IDEA FOR AGATHA CHRISTIE'S FAMOUS DETECTIVE STORY, "THE MURDER OF ROGER ACKROYD"

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arab news CALENDAR		SAUDI RADIO/ENGLISH SERVICE		RADIO FRANCAISE		RADIO PAKISTAN	
SATURDAY: 4:30 Quran, Program Review; 4:45 Educational Program; 6:15 Local News, Maghrib Prayer; 6:45 Religious Program; 7:15 Arabic Film; 7:45 News in English; 8:00 English Film; 8:30 English News; 9:45 Tomorrow's Program; 9:50 Best Sellers; 10:30 Fantasy Island.	SUNDAY: 8:00 Quran; 8:15 Religious Talk; 8:30 News; 8:45 Local News; 9:00 Arabic Drama; 10:00 News at Ten; 10:35 Selected Songs, Tomorrow's Programs; 11:45 Arabic Feature Film.	MONDAY: 6:00 Quran; 6:15 Me and Qina; 6:35 Pardon My Genie; 7:00 Islamic Horizon; 7:15 Big League Soccer; 8:00 Local News; 8:10 Charlie Angels; 9:00 Wings; 10:00 World News; 10:25 When Things were Rotten; 10:50 Thrillers.	TUESDAY: 4:00 Quran; 4:15 Today's Programs; 4:30 Students' Program; 5:40 Adult Program; 6:10 Songs; 6:15 Religious Program; 7:00 Songs; 7:30 Arabic Film Series; 8:30 Folk Songs; 8:30 Arabic News; 9:00 Cultural Series; 9:30 Arabic Local News; 9:45 Songs; 10:00 English News; 10:30 Songs; 10:30 Arabic Comedy Series; 11:10 News; 11:20 Quran.	WEDNESDAY: 6:15 Quran; 7:00 National Velvet; 7:25 Lardo; 8:15 The Adventure; 8:00 Story Theater; 9:05 The Cat; 9:30 Feature; 11:15 Dr. Kildare; 11:40 1999.	THURSDAY: 8:00 Quran; 8:05 Mt. and Jenny; 9:00 News in English; 9:15 Main Chanson; 10:00 International Zone 10:30 Film.	FRIDAY: 1:00 Quran, 1:15 Religious Program; 1:30 Cartoons; 2:00 Children's Series; 2:30 Sports; 4:00 Sierra; 5:15 Daily Arabic Series; 6:00 Arabic News; 6:15 Pathfinders; 7:05 Songs; 7:35 Daily Arabic Series; 8:30 Arabic News; 9:05 Broadcasting and Television; 10:00 English News; 10:20 Arabic Play.	SATURDAY: 17:00, 17:45, 21:00 (KHZ) Washington 16.54, 16.51, 13.82 (meters) 4:30 Religious Program 4:46 Light Music 5:15 Choral Music 5:45 Light Classical Music 6:00 News 6:15 Press Review 6:20 On This Day 6:25 Songs

Josephine

Lost Passport

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Walesa attacks strikes

3 Polish dissidents again jailed

WARSAW, July 10 (Agencies) — Three members of the dissident Confederation for Independent Poland (KPN), including its president Leszek Moczulski, were back in prison Friday after the Supreme Court withdrew their bail, the Committee for the Defense of Prisoners of Conscience reported. The three, released on bail by a Warsaw court June 4, were said to have been continuing political activities.

On June 17 the Supreme Court upheld the first court's decision but ordered the defendants to report regularly to police and refrain from political activity. Three days ago the lower court refused a prosecution demand to

withdraw their bail, but the Supreme Court Thursday reversed the decision and ordered their arrest, the committee said.

The accused had blatantly disregarded the ban on political action, "and consequently their activities were a social danger," the Supreme Court said Wednesday. The trial of Moczulski, 50, and his associates Romuald Szeremietiew, 35, and Tadeusz Stanski, 32, all lawyers, and historian Tadeusz Janiszak, on charges of activities against the Communist system, opened June 15. It was adjourned after the third session to July 2, and then again to July 23.

Moczulski, was first arrested on Sept. 23 at

Lodz, central Poland, on his way to see his wife in hospital at Katowice. She had just ended a hunger strike to back demands for freedom for political prisoners in Poland. Szeremietiew and Tadeusz, were first detained last November in Warsaw.

Jandiszak, a diabetic, was allowed free for health reasons but the court warned him that he would be jailed if he continued what it called his "illegal activities". The KPN trial is the first political hearing since the emergence of the Polish free trade union movement last August.

Meanwhile, Solidarity free trade union leader Lech Walesa has criticized Poland's latest round of strikes. Employees of the national airline Lot stopped work Thursday for four hours in protest against the government's refusal to accept their nominee for general manager.

U.S. view on threat shared

Japan to boost defense

TOKYO, July 10 (AP) — The Japanese government shares the U.S. view of a growing Soviet military threat and has decided to make "maximum efforts" to improve its defense capabilities, official sources were quoted Friday as saying.

Kyodo news service said Chief Cabinet Secretary Kiichi Miyazawa told Japanese reporters a decision had been made to put an end to the running controversy between Japan and U.S. allies over the question of increased defense spending.

start preparations concerning the transfer of sophisticated Japanese technology to the U.S. armed forces. It has been reported that Omura and Weinberger agreed on the transfer of Japanese technology to the U.S. armed forces when they met in Washington.

The government's latest posture contrasts sharply with remarks on Wednesday by Lt. Gen. William Ginn, retiring commander of U.S. forces in Japan and the U.S. 5th Air force.

Japan, citing a 1976 cabinet decision that limits defense spending to less than one percent of the gross national product, has balked at U.S. demands that it spend more. Despite its "no-war" constitution, Japan maintains the world's eighth-largest military force. It is slated to spend some \$ 11 billion, 0.91 percent of its GNP, in fiscal 1981.

Miyazawa did not specify how the government intends to beef up its defense capability, according to Kyodo, but said the cabinet reached a decision after hearing a report by Joji Omura, director-general of the Defense Agency, who returned Friday from Washington.

Omura said of his talks with Secretary of Defense Caspar Weinberger and Secretary of State Alexander Haig that the United States expects Japan to "make maximum efforts to improve its defense capabilities as soon as possible." There was no elaboration of the statement.

Omura agreed on the need for Japan to

Ginn, at a press conference, said Japan does not perceive the Soviet threat in the same way as the United States. He said Japan must develop a "credible defense capability," because it lacks the capability to repel "even the most limited, conventional attack."

Following Friday's cabinet meeting, Kyodo quoted Foreign Minister Sunao Sonoda as saying "we must understand the U.S. wish to regain a military balance with the Soviet Union."

Meanwhile, Japan may ask the Soviet Union to cancel missile-firing tests into the northern Pacific due to start Saturday, Foreign Ministry sources said. Japan is studying whether it would be affected by 10 days of tests announced in Moscow, they said.

Military sources said the Soviet Union was likely to fire big land-based or submarine-launched missiles into two target zones identified by the Soviet news agency Tass to the north of Hawaii and south of the Aleutians.

33 coup officers indicted

Basque gunmen kill former guard

BILBAO, Northern Spain, July 10 (AFP) — A retired civil guard died Friday in a hail of automatic weapons fire while waiting for a train at Basauri, in the Basque province of Vizcaya, a reliable source said. One of the attackers was later wounded in a shootout with police and arrested, the source said. Two bystanders were wounded as well.

With the death of the civil guard, 59-year-old Joaquin Gorjon Gonzalez, 40 persons including 14 policemen and 10 soldiers have been killed in Spain this year.

Meanwhile, an army major has been charged with training a 50-strong commando in order to stage a coup d'etat, *El Pais* newspaper reported Friday, claiming to have seen documents to this effect.

El Pais said that Maj. Ricardo Saenz de Ynestralza, arrested June 23, was accused of "conspiracy in view of military rebellion" under Spain's anti-terrorist laws. The report said that the plot was masterminded by an unidentified army general.

In a related development, the Supreme Court of Military Justice Thursday accepted the indictment of 33 army and police officers who tried to overturn the government last February. But the court left the door open to a government demand accusing 288 paramilitary civil guards who stormed parliament in an abortive bid to bring down Spain's civilian government.

The court's announcement made no men-

tion of the civil guards but it did not rule out their prosecution. The 23-member court said 17 civil guard officers who led the storming, including Lt. Col. Antonio Tejero plus three generals and a navy captain, and army officers should be tried for their role in trying to bring down the country's young democracy.

A defense lawyer said the court's decision indicated a court-martial in October and November. The decision also implied that all 33 would be tried at the same time. This would mean a court-martial composed of three star generals or higher. One of the principal defendants is Lt. Gen. Jaime Milans del Bosch, trusted commander of the Valencia military region who ordered tanks into the streets. Army regulations require that officers be judged by a court of their peers.

The court's statement to the Defense Ministry did not mention civilians accused in the plot. Only one, a former labor organizer in the Franco government, has been indicted.

The Defense Ministry June 30 asked the special military prosecutor investigating the Feb. 23 coup also to indict the 288 paramilitary civil guards who held the 350-member lower house of parliament and the cabinet hostage at gunpoint for 18 hours.

The government of centrist premier Leopoldo Calvo Sotelo indicated earlier that only officers, not enlisted men of the guard, should face trial.



HUNT FOR BIG FOOT: Bob Jones, who will lead an expedition to hunt for big foot in the hills of northwestern New Jersey this summer, displays a plaster cast he claims to have made in a Sussex county swamp. He is president of an organization called Vestigia, which explores unusual natural phenomenon.

Cancer drug found ineffective

TOKYO, July 10 (AFP) — A controversial anti-cancer drug, used by tens of thousands of patients including the late American actor Steve McQueen, was Friday declared ineffective by Japanese Central Pharmaceutical Affairs Council which said its study found no confirmation of claims that the drug, known as Maruyama vaccine, prolongs lives or can cure desperately ill cancer patients.

The announcement came four and a half years after Dr. Chisato Maruyama, 79, of the Nippon Medical College Hospital, sought government approval for the vaccine as legitimate medicine. Dr. Maruyama has treated some 140,000 cancer patients with the vaccine he developed from human tubercle bacilli in the mid-1940s.

The vaccine touched off a national debate on the question of its effectiveness as an anti-cancer drug and it won the support of various organizations, including a group of lawmakers. The Pharmaceutical Affairs Council said in September 1978 that the data presented on the drug was too flimsy to make a decision. But hearings have continued off and on.

Dr. Maruyama developed the vaccine originally for tuberculosis sufferers but decided to try it for cancer treatment after finding that people with a high level of tubercle bacilli rarely developed cancer. He tried the vaccine for the first time on a 52-year-old woman with inoperable stomach cancer who was given only months to live by her physician in 1965. The woman's tumor shrank and she later fully recovered.

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From page one

ducers have already made substantial price cuts. The fall in sales may have gone some way toward eliminating the surplus of oil production over demand, analysts believe. This was put at about 2.5 million BPD in early June. PIW now estimates that OPEC output is sinking toward 22 million BPD, a 10-year low, compared with about 25 million BPD in January.

Spot oil prices also went up in the past week, after falling steadily through most of this year. But volumes traded were small and prices remain well below official levels.

And even if the production surplus is rapidly diminishing, there is little sign of a lessening of the glut of crude. Stocks are at enormous levels and demand from industrialized nations is expected to remain low. In the game of bluff between the producers and companies, it is therefore the companies which can play the waiting game.

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